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OF THE
UNITED STATES

Ronald Reagan

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1982

(IN TWO BOOKS)

JANUARY 1 TO JULY 2, 1982

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Foreword

Through these pages are captured the moments of history of the first half of 1982—a year which saw great economic progress at home and renewed confidence abroad. The economic recovery program, put into place with bipartisan cooperation, began to take effect as prices and interest rates declined steadily. The reduction in the rate of tax increases for working Americans was also a major boon to the economy as investor and consumer confidence increased. The private sector—an essential partner in the Federal effort to turn the economy around—responded courageously and enthusiastically to the call for renewed cooperation. And our colleagues in the State and local governments gave new life to the concept of federalism, as we worked together to let the people decide their future.

Our allies found a strong and confident America—willing to accept our position as leader of the free world. In my meetings in Washington and in Europe, the message was clear and consistent: The United States must stand firm for freedom for all peoples. The Alliance grew stronger, as personal relationships between leaders were developed and as we renewed our dedication to work together for our common aims. Our neighbors in the Caribbean, too, played an important role in our work toward increasing hemispheric unity, as our Caribbean Basin Initiative brought our neighbors to the south to their rightful place at the forefront of our foreign policy.

The first half of 1982 was a time of hope and opportunity for America—a time in which we saw the beginning of renewed economic and international strength. It was a proud and inspiring time, and these pages document this very special era of America's history.

Ronald Reagan

Preface

This book contains the papers and speeches of the 40th President of the United States that were issued by the Office of the Press Secretary during the period January 1–July 2, 1982. The material has been compiled and published by the Office of the Federal Register, National Archives and Records Service, General Services Administration.

The material is presented in chronological order, and the dates shown in the headings are the dates of the documents or events. In instances when the release date differs from the date of the document itself, that fact is shown in the textnote. Every effort has been made to ensure accuracy. Tape recordings of Presidential remarks are used to protect against errors in transcription, and signed documents are checked against the original to verify the correct printing. Textnotes, footnotes, and cross references have been provided by the editors for purposes of identification or clarity. Speeches were delivered in Washington, D.C., unless indicated. The times noted are local times. All materials that are printed full-text in the book have been indexed in the subject and name indexes.

The Public Papers series was begun in 1957 in response to a recommendation of the National Historical Publications Commission. An extensive compilation of messages and papers of the Presidents covering the period 1789 to 1897 was assembled by James D. Richardson and published under congressional authority between 1896 and 1899. Since then, various private compilations have been issued, but there was no uniform publication comparable to the Congressional Record or the United States Supreme Court Reports. Many Presidential papers could be found only in the form of mimeographed White House releases or as reported in the press. The Commission therefore recommended the establishment of an official series in which Presidential writings, addresses, and remarks of a public nature could be made available.

The Commission's recommendation was incorporated in regulations of the Administrative Committee of the Federal Register, issued under section 6 of the Federal Register Act (44 U.S.C. 1506), which may be found in Title I, Part 10, of the Code of Federal Regulations.

A companion publication to the Public Papers series, the Weekly Compilation of Presidential Documents, was begun in 1965 to provide a broader range of Presidential materials on a more timely basis to meet the needs of the contemporary reader. Beginning with the administration of Jimmy Carter, the Public Papers series expanded its coverage to include all material as printed in the Weekly Compilation. That coverage provides a listing of the President's daily schedule and meetings, when announced, and other items of general interest issued by the Office of the Press Secretary. Also included are lists of the President's nominations submitted to the Senate, materials released by the Office of the Press Secretary that are not printed full-text in the book, and acts approved by the President. This information appears in the appendixes at the end of the book.

Volumes covering the administrations of Presidents Hoover, Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford, and Carter are also available.

This series is under the direction of John E. Byrne, Director, and Robert E. Lewis, Director of the Presidential Documents and Legislative Division, Office of the Federal Register, and is produced by the Presidential Documents Unit, Brenda A. Robeson, Chief. Editors of this book were Wilma P. Greene, Katherine A. Mellody, and Kenneth R. Payne, assisted by Judith B. Craine, William K. Banks, and Walter W. Rice.

White House liaison was provided by Larry M. Speakes, Deputy Assistant to the President and Deputy Press Secretary. The frontispiece and photographs used in the portfolio were supplied by the White House Photo Office. The frontispiece is from a rally in Bloomington, Minnesota, for Senator David Durenberger, February 8.

The typography and design of the book were developed by the United States Government Printing Office under the direction of Danford L. Sawyer, Jr., Public Printer.

Robert M. Warner
Archivist of the United States

Gerald P. Carmen
Administrator of General Services
April 1983

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Administration of Ronald Reagan

1982

Remarks on New Year's Day
January 1, 1982

Thank you, Michael, and good morning.

Although I know most of the world celebrates the New Year with us today, I think this holiday is an especially American tradition. Most of us are at home or with our families this morning, getting ready to watch the splendor of parades and excitement of football. Later our families will gather around the dinnertable, and we'll pray for guidance and strength in the New Year. Today we take a short and well-earned break from the building and industry and enterprise that make our country strong. We pause to reflect on the values of God and family and freedom that make us great.

I wish both teams this afternoon the best of luck, but Iowa has a special place in my heart. Years ago I broadcast their football games on WHO in Des Moines. I find special meaning in that this New Year's Day this Hawkeye team has made it to the Rose Bowl.

You see, when I knew them back in the thirties, the Hawkeyes were struggling to get out of one of those low periods that come every once in a while to a school and a team. The first game I broadcast turned out to be the game in which Iowa scored its first touchdown against a Big Ten team in 3 years. And that marked a turning point in Hawkeye fortunes.

Coach Ossie Solem took Iowa on the comeback trail with men like Zud Schammel, Dick Crayne, Ozzie Simmons, Ted Osmaloski, the Fisher brothers, and so many others. Then followed the Ironmen under Coach Eddie Anderson with the immortal Nile Kinnick. A similar team will play the Washington Huskies today.

Like the Iowa Ironmen, we Americans are known for dreaming with our eyes wide open. We live our dreams and make them come true. Our ideas and energies combine in a dynamic force. The kind of force that brought the Hawkeyes to Pasadena enables America to overcome great odds. We call it the American spirit.

In 1982 this country faces serious challenges. We're gripped by a recession brought on by decades of government mismanagement. But we're making a new beginning as a nation. The road to recovery is never easy. But America is no stranger to challenges. We need only live up to our convictions to set things right. We need only believe in ourselves, in our country, and in tomorrow.

Happy New Year.

Note: The President's remarks were filmed for broadcast on the NBC network.

In his opening remarks, the President referred to actor Michael Landon, guest commentator for NBC's coverage of the Tournament of Roses Parade in Pasadena, Calif.

Remarks to the People of Foreign Nations on New Year's Day
January 1, 1982

It is indeed an honor for me to be able to extend to all of you on behalf of the people of the United States best wishes for a Happy New Year. We look forward to the coming year as a time of opportunity. We hope and pray that good will and honesty will prevail and that mankind will be a little better for the things which we as individuals and as a nation will do in the year ahead.

This last year in the United States was a time of rededication to fundamental American economic and political concepts, as mandated by the people in the elections of 1980. After a period of increase in government power, the American people decided that the time had come to move away from state control and regulation; move toward something more consistent with our belief in freedom and individual liberty.

The United States in these last 12 months has been blessed with peace, and peace remains our goal. Our military strength is dedicated to this noble end.

Consistent with this, on November 18th and on behalf of the American people, I proposed to the Soviet Union a removal of the nuclear weapons threatening Europe. Negotiations between our two nations will continue this effort in the months ahead. The United States has offered a plan to eliminate all land-based, intermediate-range nuclear missiles on the European continent. We're uging the Soviet Union to join us in reaching that goal.

We take no joy in using our resources to produce weapons of war. During the last 10 years, the United States reduced the size of its Armed Forces and decreased its military spending. Sadly, this gesture was met by a massive buildup of Soviet armed forces. Let us hope the current opportunity for arms reduction is not lost. The Soviet Union should realize that its resources might better be spent on meeting the needs of its people, rather than producing instruments of destruction.

In 1981 senseless violence continued to plague the world. A great man in Egypt, a man of peace, was murdered. An attempt was made on the life of Pope John Paul, almost robbing the world of this sincere man of God. I, too, had occasion to realize that we must use what time we have to further those values which will last after we as individuals are gone.

A former President of the United States once said: "The chief ideal of the American people is idealism . . . America is a nation of idealists." Well, that's as true today as when President Calvin Coolidge spoke those words back in 1925.

Americans remain dedicated to those concepts of liberty that have provided our people with freedom and abundance. Furthermore, we're a nation composed of people who have come here from every corner of the world, people of all races and creeds who have learned to live together in peace and prosperity. Perhaps you know someone or have relatives who now live here. Well, they're every bit as American as those who came here two centuries ago seeking freedom. In a very real sense all people who long for freedom are our fellow countrymen. That love of freedom is what brought us or our ancestors to this land.

Because of this special American character, our hearts go out to those who suffer oppression. Last year we saw the workers of Poland struggle to edge their country closer to freedom—and instead, they were given bloodshed and oppression. We saw the courageous people of Afghanistan battle against tremendous odds trying to cast off foreign domination.

During my lifetime, I have seen the rise of fascism and communism. Both philosophies glorify the arbitrary power of the state. These ideologies held, at first, a certain fascination for some intellectuals. But both theories fail. Both deny those God-given liberties that are the inalienable right of each person on this planet; indeed they deny the existence of God. Because of this fundamental flaw, fascism has already been destroyed, and the bankruptcy of communism has been laid bare for all to see—a system that is efficient in producing machines of war but cannot feed its people.

Americans begin this new year with a renewed commitment to our ideals and with confidence that the peace will be maintained and that freedom for all men will ultimately prevail. So, wherever you are, America sends to you a New Year's wish of good will. To all who yearn to breathe free, who long for a better life, we think of you; we pray for you; we're with you always.

Note: The President's remarks were filmed for broadcast on television by the United States International Communication Agency.

Letter Accepting the Resignation of Richard V. Allen as Assistant to the President for National Security Affairs

January 4, 1982

Dear Dick:

Over the past year, you have served our Nation with great distinction as my assistant for national security affairs. You have provided me with invaluable advice and counsel over the years of our association and I am grateful for your constant loyalty and dedication.

Thus it is with deep regret that I accept your resignation as Assistant to the President for National Security Affairs. I am pleased, however, that you will continue to serve our Administration in a new assignment.

As you leave your post, I want you to know that you do so with my confidence, trust and admiration for your personal integrity and your exemplary service to the Nation.

Nancy and I extend our best wishes to you and your family.

Sincerely,

RON

[Mr. Richard V. Allen, Assistant to the President for National Security Affairs, The White House, Washington, D.C. 20500]

Dear Mr. President,

I herewith submit to you my resignation as Assistant to the President for National Security Affairs.

It has been a rare privilege and a high honor to serve in your Administration, and before that in the years of your campaign for the Presidency. You have created memories which will accompany me and my family forever, and your trust and confidence are a source of deep pride and satisfaction.

In accordance with your request that I continue to serve the Administration, I shall be pleased to undertake the interim task we discussed.

Sir, you have my high esteem and my warm good wishes as you continue in the second year of your historic Presidency.

Faithfully,

DICK
RICHARD V. ALLEN

[The President, The White House, Washington, D.C. 20500]

Statement by Deputy Press Secretary Speakes on the Resignation of Richard V. Allen as Assistant to the President for National Security Affairs and the Designation of William P. Clark for the Position

January 4, 1982

The President today accepted with deep regret the resignation of Richard V. Allen as Assistant to the President for National Security Affairs.

In his place, the President named William P. Clark, currently Deputy Secretary of State, to become his new national security adviser.

In a private meeting this afternoon, the President told Mr. Allen that he greatly appreciated the service that he had performed for him over the past year and in earlier years. In the President's view, Mr. Allen has made an outstanding contribution to the construction and development of a strong national security policy for the Nation.

The President also reported to Mr. Allen his pleasure that both the investigation by the Justice Department and a recently completed study by the White House Counsel's office had revealed no wrongdoing on Mr. Allen's part.

At the same time, both Mr. Allen and he agreed that, in view of the controversy of recent weeks, it would be better for all concerned to seek a change in responsibilities. Toward that end, the President asked Mr. Allen to serve as his consultant for an indefinite period to assist in the organization of the President's Foreign Intelligence Advisory Board.

Mr. Clark brings to his new post at the White House a distinguished record of service in California and, more recently, at the State Department.

In consultation with the members of the National Security Council, Mr. Clark in his new role will be responsible for the development, coordination, and implementation of national security policy, as approved by the President. In addition, he will be responsible for providing staff support and for administering the National Security Council. As Assistant to the President for National Security Affairs, Mr. Clark will have a direct reporting relationship to the President.

This expanded role for the Assistant to the President for National Security Affairs, as announced today, will implement recommendations made to the President by the Counsellor to the President, Edwin Meese III, following a review of the national security process.

Nomination of Hugh W. Foster To Be Alternate Executive Director of the Inter-American Development Bank

January 5, 1982

The President today announced his intention to nominate Hugh W. Foster to be Alternate Executive Director of the Inter-American Development Bank. He would succeed Eugene Jay Finkel.

Since 1969 Mr. Foster has been with Wells Fargo Bank, San Francisco, Calif. He is currently vice president and area manager, Asia Pacific Division. He was vice president and area manager, Mexico City, in 1978–80; vice president and representative, Mexico City, in 1977–78; vice president and area manager, China Sea Area, in 1975–77; assistant vice president and area manager, Australasia Area, in 1974–75; and assistant vice president and international banking officer, Australia, in 1970–74.

He graduated from Colgate University (A.B., 1965) and Stanford University Graduate School of Business (M.B.A., 1969). He is married, has four children, and resides in San Francisco, Calif. He was born December 13, 1943, in Baltimore, Md.

Appointment of Harold J. Buoy as a Member of the National Productivity Advisory Committee

January 5, 1982

The President today announced his intention to appoint Harold J. Buoy to be a member of the National Productivity Advisory Committee.

Mr. Buoy is international president of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, AFL–CIO, an international labor organization of some 150,000 members. For the past 11 years, he has guided the affairs of the International Brotherhood.

Mr. Buoy has spent most of his working life serving the labor movement, beginning his career in 1941 in a boilermaker apprenticeship on the Wabash Railroad.

He served as a member of the 100th Infantry Division, Seventh Army, during World War II. He is married and resides in Kansas City, Kans. He was born July 30, 1921, in Kansas City.

Remarks of the President and Chancellor Helmut Schmidt of the Federal Republic of Germany Following Their Meetings

January 5, 1982

The President. Chancellor Schmidt and I have just concluded another of our meetings at a critical moment in world affairs. The primary topic on our minds, of course, was Poland and the imposition of martial law in that unhappy land.

We thoroughly discussed the extent of Soviet involvement in the repression being waged against the Polish people and the need for forceful Western measures to induce both the Polish and Soviet authorities to lift martial law, release all those who have been detained, and permit resumption of a national dialog leading to genuine reform.

In that connection, I reviewed with the Chancellor the series of steps that I had announced in my Christmas message and on December 29th. I emphasized my belief that a tangible Alliance response to the Polish crisis must be made now. Should we fail to insist that the Soviet Union stop pressuring Poland directly and indirectly, the gravest consequences for international relations could ensue.

Our conversations today covered a wide range of related political, security, and economic issues. For example, we discussed the importance of the negotiations on intermediate nuclear forces in Geneva which began on November 30th and our hope that the Soviet Union will avoid sterile propaganda and respond constructively to our zero-level proposal for genuine reduction of nuclear arms.

Other international issues on our agenda included the prospects for strategic arms reduction talks—what we call START; the situation in Central America, in the Middle East, and in southern Africa; and the status of the CSCE [Commission on Security and Cooperation in Europe] process, particularly in light of the Polish crisis.

We also reiterated the concern we both feel over the continued Soviet occupation of Afghanistan and our support for initiatives by the European Parliament and the United States Congress to establish March 21st as Afghanistan Day.

For its part, the United States, through the U.S. International Communication Agency, is today releasing for overseas distribution a book which eloquently documents the human face of the Afghan struggle against Soviet invasion forces. I have personally presented a copy to Chancellor Schmidt.

Above all, we agreed on the importance of the U.S.-German partnership and the need for continued close consultations. We hope to broaden and deepen these contacts. We also make clear to public opinion in both countries, especially the younger generation, the responsibility that we all share of maintaining both our friendship and our commitment to the one instrument which has kept peace for over 30 years—the North Atlantic Alliance.

Chancellor Schmidt, welcome.

The Chancellor. Thank you, Mr. President. Ladies and gentlemen, I can fully subscribe to what your President just told you about the contents and the results of our discussions. There are three points which I would like to stress.

Number one, as regards the sad events in Poland, I had a chance to relay to the President the results of the meeting of 10 foreign secretaries of the 10 European member countries of the European Community who met in Brussels yesterday morning on that question. And the President was satisfied with that. He welcomed that statement. It includes the three points which the President just has made as regards the lifting of martial law, the freeing—the release of the prisoners, and the taking up again of the dialog within Poland between the different social and political factors, including Solidarnosc.

It was rather easy for the German Government to come to that resolution in Brussels yesterday morning, because we could act on the basis of a resolution which was taken almost unanimously in the German Parliament on the 18th of December, 6 days before Christmas and 5 days after the Polish event. The resolution was taken after discussion upon a speech which I gave to my Parliament, and it already then comprised the three points which we have just now reiterated.

Secondly, I would like to stress what the President has said about the overriding importance of the Geneva talks on arms control, arms reduction especially, in the field of Euro-strategic nuclear weapons or intermedium-range nuclear weapons as they are being called in this country. INF is the mostly used abbreviation.

I would like to take this opportunity to thank you, Mr. President, for that effort, especially for the outlook you have given to the world and given to your allies in Europe and given to us Germans in particular, in your moving and at the same time foresighted speech at the 18th of November, dealing with that subject.

Thirdly, I would like to mention that the President and his secretaries and aides, as well as Foreign Secretary Genscher and I and our aides, have also talked about the economic situation of the world. I would not hide from you the fact that we are worried about the high rate of interest—[*inaudible*]—all over the globe, in the middle of a deep recession, and both of us feel that joint effort is necessary to jointly get out of that recession in order not to plunge into a worldwide depression.

In the end, Mr. President, I would like to take the opportunity again to thank you for your hospitality, to thank you for the discussions we had, to thank your secretaries as well. I would also like to, as well, on behalf of my wife, to thank the American nation for the friendly hospitality which has been shown to us during our short stay for a holiday in Florida.

Let me assure our American friends that the great, vast majority of Germans stand firm for the alliance with the United States and will, as in the past, also in the present and in the future, hold the German-American friendship in very high esteem. We think that it's a decisive factor in our national life.

Thank you very much.

Note: The President spoke at 1:37 p.m. at the South Portico of the White House as Chancellor Schmidt was departing. Earlier in the day, the President and the Chancellor met in the Oval Office and then attended a luncheon in the State Dining Room.

Joint Statement Following a Meeting With Chancellor Helmut Schmidt of the Federal Republic of Germany

January 5, 1982

The President and the Chancellor on January 5, 1982 held extensive talks in which Secretary of State Haig and Foreign Minister Genscher participated. The Chancellor also met with Vice President Bush, Secretary Weinberger, and senior administration officials and with leaders of Congress.

The President and the Chancellor had a thorough exchange of views on the situation in Poland. They expressed grave concern about the imposition of martial law, which has resulted in the suppression of the fundamental rights of Polish citizens in violation of international agreements, including the Final Act of Helsinki, the United Nations Charter, and the Universal Declaration on Human Rights.

The Chancellor informed the President

about the final communique issued by the Foreign Ministers of the member countries of the European Communities on January 4. The President welcomed this statement.

The President and the Chancellor agreed on their analysis of the Polish situation. They noted that contrary to the undertaking of the Polish leadership to reestablish liberty and the process of reform, repression and violation of basic human rights in Poland continues.

The President and the Chancellor call again on the Polish authorities to end the state of martial law, to release those arrested, and to restore the dialog with the Church and Solidarity.

The President and the Chancellor agreed that developments in Poland demonstrate once again the obvious inability of the Communist system to accept those changes necessary to meet the legitimate aspirations of their peoples. This endangers public confidence in cooperation between East and West and seriously affects international relations and stability.

They both noted the responsibility of the Soviet Union for developments in Poland and expressed concern about the serious pressure it is bringing to bear against Polish efforts for renewal. They insist Poland be allowed to resolve its problems without external interference.

The President and the Chancellor reiterated their position that any military intervention in Poland would have the gravest consequences for international relations and would fundamentally change the entire international situation.

The President explained the economic measures taken by the United States with regard to the Soviet Union. The Chancellor informed the President that the Federal Republic, together with its partners in the European Community, will undertake close and positive consultations in this regard with the United States and with other Western states in order to define what decisions will best serve their common objectives and avoid any step which could undermine their respective actions. They welcomed the agreement of the NATO Allies to hold a special Foreign Ministers' meeting in Brussels next week for further discussion of these matters.

The Chancellor drew the President's attention to the resolution passed on December 18, 1981, in which the Bundestag, in agreement with the Federal Government, decided to hold in abeyance official economic aid to Poland as long as the present regime continues its oppression of the Polish people. The President reiterated his previous statement that further assistance by the United States to the Government of Poland is not possible under present circumstances. The President and the Chancellor expressed their hope that the course of developments in Poland would permit their countries to review these decisions.

The President and the Chancellor expressed their solidarity with the Polish people and their readiness to continue humanitarian aid provided that it directly benefits the people. In this context, the President informed the Chancellor that American labor and other private groups are working together to organize a day of solidarity with the Polish people on January 30.

In view of the grave developments in Poland, which constitute a serious violation of the Helsinki Final Act, the President and the Chancellor agreed that the Madrid Conference on the implementation of the Helsinki Final Act should deal with the situation as soon as possible at the level of Foreign Ministers. They will take action as appropriate within the framework of the United Nations with a view to denouncing the violation of human rights as well as acts of violence. Other measures will be considered as the situation in Poland develops.

They welcomed the initiatives by the European Parliament and the U.S. Congress to establish March 21 as "Afghanistan Day" to express common hope and support for the people of Afghanistan, agreed that the Soviet occupation of Afghanistan must end, and demanded the withdrawal of Soviet troops from Afghanistan and respect for the right of the Afghan people to choose an independent and non-aligned government.

The President and the Chancellor underlined the significance of arms control as an indispensable element of their common security policy. They reaffirm their determination to continue their efforts for effective arms control. In this context the Chancellor expressed his deep appreciation of the President's speech of November 18, 1981, and welcomed the initiatives for a comprehensive arms control policy it contains.

The President and the Chancellor also stressed the great importance of current economic issues. In this context, the Chancellor referred to the danger of a worldwide depression and ensuing far reaching political hazards that may arise if the industrial countries fail to agree on a common strategy to combat unemployment. The Chancellor emphasized in particular the strategic significance of social and economic stability in the industrial countries of the West as an important element in the maintenance of a stable East-West balance.

The President and the Chancellor agreed that protectionism is to be rejected and stated their resolve to work for a maximum degree of freedom in international trade.

They also noted that their Governments were following policies aimed at reducing significantly the level of interest rates through control of budget deficits, combating inflation, and overcoming the recession.

The two leaders emphasized the importance of close bilateral and multilateral consultations at all levels between the members of the Western Alliance.

The President and the Chancellor underlined the close and trusting relationship between the United States and the Federal Republic of Germany. They agreed on the need to maintain and deepen U.S.-German friendship by furthering and broadening mutual contacts and, in particular, a better understanding among the members of the younger generation.

To this effect, they noted with satisfaction that Secretary of State Haig and Foreign Minister Genscher have named coordinators in their respective departments for American-German relations. In the State Department the duties have been assigned to Lawrence S. Eagleburger, Assistant Secretary of State for European Affairs. In the Foreign Office the duties will be assumed by Minister of State, Dr. Hildegard Hamm-Bruecher.

Note: As printed above, this item follows the text of the joint statement made available by the Office of the Press Secretary. The statement was not issued as a White House press release.

Statement About Continuation of the Registration Program Under the Military Selective Service Act

January 7, 1982

Last July I established a Presidential Military Manpower Task Force chaired by Defense Secretary Weinberger. One of the mandates of the Task Force was to examine the cases for and against continued military registration, as well as to review other issues affecting military manpower.

I have now received the report of the Task Force and the recommendations of its members. On the basis of their findings, I have decided to continue registration.

Make no mistake: The continuation of peacetime registration does not foreshadow a return to the draft. I remain firm in my conviction, stated in 1980, that "Only in the most severe national emergency does the Government have a claim to the mandatory service of its young people." No such emergency now exists, and registration is in no way a proxy for conscription.

However, we live in a dangerous world. In the event of a future threat to national safety, registration could save the United States as much as 6 weeks in mobilizing emergency manpower.

This administration remains steadfast in its commitment to an all-volunteer defense force. In 1981 we demonstrated that, in a healthy, just society, men and women will serve their country freely when given the proper encouragement, incentives, and respect. All services met their recruiting goals, test scores improved dramatically, and recruits included the highest proportion of high school graduates ever. Just as volunteer warriors won American independence more than two centuries ago, they stand as proud guardians of our freedom today.

I know that this generation of young Americans shares the sense of patriotism and responsibility that past generations have always shown. All that the action I have taken today requires is that young men when they reach their 18th birthday provide their name, address, and social security number to the Selective Service or at any U.S. Post Office. Late registrations are being accepted, and I have instructed the Department of Justice to make provision for a grace period for late registrants.

Appointment of James S. Rosebush as Deputy Assistant to the President

January 8, 1982

The President today announced his intention to appoint James S. Rosebush to be Deputy Assistant to the President. He will also assume the role of Chief of Staff for East Wing Operations, effective February 1, 1982. He will continue to report to Michael K. Deaver, Deputy Chief of Staff and Assistant to the President. Mr. Rosebush will succeed Peter McCoy.

Since August 1981, Mr. Rosebush has been Special Assistant to the President working on the private sector initiatives. He joined the administration in May as Director, Office of Business Liaison, U.S. Department of Commerce. Prior to this he had responsibility for a $10 million corporate contributions program at the Standard Oil Co. of Ohio. Before assuming his position with Standard Oil he was a vice president for the National Chamber Foundation, a public policy research organization, and Citizens Choice, a national grassroots, taxpayers lobby, both affiliated with the Chamber of Commerce of the United States.

He also held positions with the C. S. Mott Foundation, Flint, Mich., and the Associated Foundations of Greater Boston, now the Association of New England Grantmakers.

Mr. Rosebush, who was born in Flint, Mich., received his B.A. from Principia College, Elsah, Ill., and his M.A. in public affairs from the Boston University. He taught corporate public issues and the history of philanthropy at both Georgetown University and the George Washington University.

He is married to the former Nancy Paull of Connecticut, and they have two daughters, Claire and Lauren. They reside in Washington.

Exchange With Reporters on Unemployment Rates

January 8, 1982

Q. What about unemployment?

Q. Meese!

Q. What about the unemployment figures?

Q. What do you have against Mr. Meese? Why are you trying to rout him out?

The President. What?

Q. Meese.

Q. Unemployment.

Q. Take your choice.

The President. We'll take that one from—Meese?

Q. Meese.

The President. That is an entire invention that has never been heard of, and there is not one shred of truth in it.

Q. What is "whole cloth?"[1]

The President. What?

Q. What is whole cloth, anyway?

The President. Well, the older generation knows that as an expression for falsehood.

Q. What about the unemployment figures?

The President. The unemployment figures? Well, I think it's tragic. It's been coming on for a long time. I'm hoping—and that's why we have our program in place, and I think it's the only way to get us back to where we can provide the jobs for the people. I don't know of any other way to do it. But if you'll remember, there were 2 million who lost their jobs in the last 6 months of 1980, during the election. And then we held our own for a while until this recession came along.

Q. Well, is it necessary to bring down inflation? Do we have to——

The President. No. And anyone who suggests that this is a deliberate part of bringing down inflation is, again, inventing something out of whole cloth. No. This is a result of, particularly, two industries that have been hard hit—in large part due to the high interest rates—the automobile industry and the housing industry. These are the two greatest sources. And of course it spreads there then to associated industries. But we want to do everything we can to get the economy back on track, and that's what I think our program will do.

Q. When will it start picking up?

The President. Well, I think that all of us expect that there's going to be a few months of [a] low period; we can't help that. But I think that as we get down toward the spring and going into the summer, we're going to see the economy begin to come back.

Deputy Press Secretary Speakes. Thank you. Last question.

Q. Do you think it'll get worse before it gets better?

The President. There may be a slight, additional fluctuation in the unemployment rates before it begins to turn up. Hope not, but that can happen.

Q. Are you going to meet Brezhnev?

The President. What?

Q. There's a news story that you're going to renew your efforts to meet Brezhnev.

The President. Oh. We've always had in mind a meeting with Brezhnev, and that's still in the works.

Q. Thank you, Mr. President.

Q. Meese wants to be Secretary of Agriculture! [*Laughter*]

The President. That's the job I want.

Note: The exchange began at 3:16 p.m. at the South Portico of the White House as the President was leaving for a weekend stay at Camp David, Md.

Nomination of Walter J. Stoessel, Jr., To Be Deputy Secretary of State

January 8, 1982

The President today announced his intention to nominate Walter J. Stoessel, Jr., to be Deputy Secretary of State. He would succeed William P. Clark.

Mr. Stoessel is currently Under Secretary of State for Political Affairs. Previously he was Ambassador to the Federal Republic of Germany in 1976–80 and was Ambassador to the U.S.S.R. in 1974–76. In 1972–74 Mr. Stoessel was Assistant Secretary of State for European Affairs. He was Ambassador to Poland in 1968–72.

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[1] *Earlier in the day, Deputy Press Secretary Larry M. Speakes, in his press briefing, had reported that the President had said about a press report that Counsellor to the President Edwin Meese III would be leaving his position that "the matter is made up entirely out of whole cloth."*

In 1965–68 Mr. Stoessel was Deputy Assistant Secretary of State for European Affairs and served as Deputy Chief of Mission in Moscow in 1963–65. He was a political officer in Paris in 1961–63. He held a variety of diplomatic positions in Caracas, Moscow, Bad Nauheim, and Paris in 1942–61.

Mr. Stoessel graduated from Stanford University (1941). He was born January 24, 1920.

Nomination of Lawrence S. Eagleburger To Be an Under Secretary of State

January 8, 1982

The President today announced his intention to nominate Lawrence S. Eagleburger to be Under Secretary of State for Political Affairs. Mr. Eagleburger would succeed Walter J. Stoessel, Jr.

Mr. Eagleburger is currently Assistant Secretary of State for European Affairs. He was Ambassador to Yugoslavia in 1977–80 and Deputy Under Secretary for Management in 1975–77. Mr. Eagleburger was Executive Assistant to the Secretary of State in 1973–75.

In 1973 he was Deputy Assistant to the President for National Security Operations. Mr. Eagleburger was Deputy Assistant Secretary of the Department of Defense in 1971–73. He was political adviser to the Counselor for Political Affairs, U.S. Mission to NATO, in 1969–71. In 1969 he was executive assistant to the Assistant to the President for National Security Affairs. In 1967–69 Mr. Eagleburger was special assistant to the Under Secretary of State and a member of the National Security Council in 1966–67.

Mr. Eagleburger graduated from the University of Wisconsin (B.S., 1952; M.S., 1957). He was born August 1, 1930.

Nomination of Powell A. Moore To Be an Assistant Secretary of State

January 8, 1982

The President today announced his intention to nominate Powell A. Moore to be Assistant Secretary of State for Congressional Relations. He would succeed Richard Fairbanks, who will continue to serve in the Department of State and will undertake a special assignment to be announced at a later date.

Mr. Moore is currently Assistant to the President for Legislative Affairs. Previously he was engaged for 6 years in governmental relations and Washington representation as a consultant for a variety of corporations and associations.

He began his Washington career in 1966 as an aide to the late Senator Richard B. Russell of Georgia. When Senator Russell died in 1971, he became Deputy Director of Public Information for the U.S. Department of Justice and later served in the Office of Legislative Affairs at the White House under Presidents Nixon and Ford. When he left the White House staff to enter private business in 1975, he was a Deputy Special Assistant to the President.

Mr. Moore worked on the national Presidential campaign staff of President Nixon in

1972, of President Ford in 1976, and of President Reagan in 1980. His association with the Reagan campaign began in early 1979, and he was assistant director of congressional relations for the Reagan transition between election day in 1980 and the Inauguration on January 20, 1981.

Mr. Moore graduated from the Henry Grady School of Journalism at the University of Georgia in Athens, Ga., in 1959. He is a former weekly newspaper editor in Georgia and served for 3½ years as a United States Army officer, including a tour in West Germany. He is married, has two children, and resides in Alexandria, Va. He was born January 5, 1938, in Milledgeville, Ga.

Nomination of Preston Martin To Be a Member of the Board of Governors of the Federal Reserve System, and Designation as Vice Chairman

January 11, 1982

The President today announced his intention to nominate Preston Martin to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1982, and to be Vice Chairman for a term of 4 years. He would succeed Frederick H. Schultz, term expiring.

Dr. Martin is a member of the President's Commission on Housing. He founded, organized, and staffed a new Sears company, Seraco Enterprises. Seraco, an amalgam of the words "Sears Allstate Companies," is a holding company that provides capital and overall planning of five real estate and financial subsidiaries. He is a member of the board of directors of Sears, Roebuck and Co.

Dr. Martin is a former member of the Federal Home Loan Mortgage Corporation Advisory Committee. He served as Chairman and Chief Operating Officer of the Federal Home Loan Bank Board in 1969–72. He served then-Governor Ronald Reagan as his first Savings and Loan Commissioner in 1967–69. In 1954–66 he was involved in homebuilding, shopping center, mortgage finance, and savings and loan "start up" organizations.

He graduated from the University of Southern California (B.S., 1947; M.B.A., 1948) and Indiana University (Ph. D., 1952). He was born December 4, 1923, and resides in Atherton, Calif.

Appointment of Pamela J. Turner as Deputy Assistant to the President for Legislative Affairs

January 11, 1982

The President today announced his intention to appoint Pamela J. Turner to be Deputy Assistant to the President for Legislative Affairs. She will succeed Powell A. Moore.

Ms. Turner is currently serving as Special Assistant for Legislative Affairs. In her new position, she will serve as the President's chief deputy liaison with the United States Senate.

From 1975 to 1981, Ms. Turner served as chief legislative assistant to U.S. Senator John Tower (R-Tex.). From 1967 to 1975, she served as legislative assistant to former U.S. Senator Edward J. Gurney (R-Fla.). From 1966 to 1967, she worked for the Agency for International Development in Washington, D.C. During the 1980 Presidential campaign, Ms. Turner served as assistant to the chairman of the Republican

Platform Committee, and also served as a legislative coordinator for the Department of Commerce during the Reagan transition.

Ms. Turner graduated from Indiana University at Bloomington, Ind., in 1966. She is from Indianapolis and now resides in Washington, D.C. She was born October 29, 1944, in Newport, R.I.

Executive Order 12337—Basic Allowance for Subsistence for Uniformed Services

January 11, 1982

By the authority vested in me as President of the United States of America by Section 402(e) of Title 37, United States Code, and in order to define "field duty" and "sea duty" as they affect basic allowances for subsistence, it is hereby ordered as follows:

Section 1. Section 303(e) of Executive Order No. 11157, as amended, is further amended to read as follows:

"(e) the term "field duty" for purposes of the third sentence of subsection (b) of Section 402 of Title 37, United States Code, shall mean service by a member when the member is subsisted in a Government mess or with an organization drawing field rations, and—

"(1) the member is under orders with troops operating against an enemy, actual or potential; or

"(2) the member is serving with troops on maneuvers, war games, field exercises, or similar types of operations.".

Sec. 2. Section 303 of Executive Order No. 11157, as amended, is further amended by adding thereto the following new subsection:

"(f) the term "sea duty" for purposes of the third sentence of subsection (b) of Section 402 of Title 37, United States Code, shall mean service performed by a member in a self-propelled vessel that is in an active status, in commission or in service and is equipped with berthing and messing facilities.".

Sec. 3. This Order shall be effective as of September 15, 1981.

RONALD REAGAN

The White House,
January 11, 1982.

[*Filed with the Office of the Federal Register, 10:15 a.m., January 12, 1982*]

Executive Order 12338—Exclusions From the Federal Labor-Management Relations Program

January 11, 1982

By the authority vested in me as President by the Constitution and statutes of the United States of America, including Section 7103(b) of Title 5 of the United States Code, and in order to exempt certain agencies or subdivisions thereof from coverage of the Federal Labor-Management Relations Program, and in order to reflect organizational changes in the Department of Energy, it is hereby ordered as follows:

Section 1. Section 1–206 of Executive Order No. 12171 of November 19, 1979, is amended by adding thereto the following new subsections:

"(p) Office of the Assistant Chief of Staff, Intelligence.

"(q) Air Force Intelligence Service.".

Sec. 2. Executive Order No. 12171 is further amended by adding thereto the following new Section:

"1–212. Agencies or subdivisions under the operational jurisdiction of the Joint Chiefs of Staff (JCS).

"(a) Intelligence Division (J–2), Headquarters Atlantic Command (LANTCOM).

"(b) Atlantic Command Electronic Intelligence Center.

"(c) Intelligence Directorate (J–2), Headquarters U.S. European Command (USEUCOM).

"(d) Special Security Office (SSO), Headquarters U.S. European Command (USEUCOM).

"(e) European Defense Analysis Center (EUDAC).

"(f) Intelligence Directorate (J–2), Headquarters Pacific Command (PACOM).

"(g) Intelligence Center Pacific (IPAC).

"(h) Intelligence Directorate (J–2), Headquarters U.S. Southern Command (USSOUTHCOM).

"(i) Intelligence Directorate (J–2), Headquarters U.S. Readiness Command (USREDCOM)/Joint Deployment Agency.

"(j) Deputy Chief of Staff/Intelligence, Headquarters Strategic Air Command (SAC).

"(k) 544th Strategic Intelligence Wing, Strategic Air Command (SAC).

"(l) Deputy Chief of Staff/Intelligence, Headquarters 15th Air Force, Strategic Air Command (SAC).

"(m) Deputy Chief of Staff/Intelligence, Headquarters 8th Air Force, Strategic Air Command (SAC).

"(n) Strategic Reconnaissance Center, Headquarters Strategic Air Command (SAC).

"(o) 6th Strategic Wing, Strategic Air Command (SAC).

"(p) 9th Strategic Reconnaissance Wing, Strategic Air Command (SAC).

"(q) 55th Strategic Reconnaissance Wing, Strategic Air Command (SAC).

"(r) 306th Strategic Wing, Strategic Air Command (SAC).

"(s) 376th Strategic Wing, Strategic Air Command (SAC).

"(t) Deputy Chief of Staff/Operations Plans, Headquarters Strategic Air Command (SAC).

"(u) The Joint Strategic Target Planning Staff (JSTPS).".

Sec. 3. Section 1–210 of Executive Order No. 12171 is amended to read as follows:

"1–210. Agencies or subdivisions of the Department of Energy.

"(a) The Albuquerque, Nevada and Savannah River operations offices under the Under Secretary of Energy.

"(b) Offices of the Assistant Secretary for Defense Programs.".

RONALD REAGAN

The White House,
January 11, 1982.

[*Filed with the Office of the Federal Register, 10:16 a.m., January 12, 1982*]

Remarks to Department of Transportation Employees in the Senior Executive Service

January 12, 1982

Secretary Lewis. Good morning. Mr. President, we're delighted to have you with us today to meet with our Department managers. And as you know, in the Department of Transportation we have an executive mobility program wherein we interchange jobs within the Department. Therefore, I'm doubly delighted you're here today so you can learn firsthand about our Department in case you'd like to change jobs with me. [*Laughter*]

Seriously, we're grateful for your interest in our programs and our people. And I was very deeply impressed by something Dan Rostenkowski said on the platform with me in Chicago about a year ago. In speaking of the President, he said, "It's refreshing for a change to have a man in the White House who actually does in office what he said he was going to do when running for that office."

It is for me a great privilege to have the opportunity to serve in government and even a greater honor to serve in this administration, because to serve under President Reagan is to serve under the best. It is my pleasure and my honor to present to you the President of the United States.

Mr. President, welcome to the Department of Transportation.

The President. Thank you all very much. And, Drew, thank you very much.

I want to tell you that I'm very proud—people like Drew, men and women who have come here to serve in government, I'm proud of all of you. And I said many times during the campaign that I wanted people who didn't want a job in government and who would actually have to step down from their own achievements in the private sector in order to take a government position. But when I look at some of these men like Drew, I didn't mean they should jump off the bridge. [*Laughter*] And some of them really did that.

Incidentally, I want to congratulate all of you. The combined Federal contribution campaign that has just been concluded under Secretary Mac Baldrige's chairmanship has exceeded all records of the past and has gone $1¼ million over the goal that had been set for this year, and the Department of Transportation increased its giving over any previous effort by 14 percent. So, my thanks and congratulations.

You are committed to a better government, or you wouldn't be a member of the Senior Executive Service. As this nation's top managers, you've dedicated your careers to forging a better Federal Government. Government is only as good as the people who make it work one day at a time. No one appreciates that more than I, the importance of the career executive managers who actually execute the policies of this government on a day-to-day basis and keep the multitude of programs running—and I will say, running within whatever budget they are allocated. [*Laughter*] Seems to be somewhat of a target in these times.

Career Federal executives should fairly be compensated for the work they do, and that's why we actively supported the increase in executive salaries and the removal of the pay cap. That's also why we've maintained the integrity of the executive bonus system, so there can be a meaningful way of rewarding those who make exemplary contributions in the management of our programs.

This Department's SES program has stimulated thought and creativity that led to major program advances this year. Through this executive forum, problems are thrashed out and new management concepts are born. The executive mobility program, which interchanges managers among all the various elements of the Department, gives you a diversity of experience and knowledge you need to manage an enterprise as broad in scope as this one.

And, if I could just relate a personal experience to you, back in California when I was serving the government there as Governor of California—in, believe it or not, this particular department, the department of transportation—that started it. And then it spread to other departments. We asked people who had been 20 years and longer in various positions in government, suddenly shifted them to another position and rotated them around. And at first there was something of rebellion. Someone said, "I don't know—I've been doing this for 20 years," and so forth. What happened was amazing, not only for them—suddenly there was a new interest in coming to work, there was a whole new challenge for them—but also for the benefit of government, someone coming in who hadn't been looking at the same problems for 20 years, suddenly saw things, asked questions, said, "Well, wait a minute. Wouldn't it be better if we did this or that?" And there was a stimulant to the whole government from this switching around.

Now, with the transfer of the Maritime Administration to this Department, you have responsibility for managing all the phases of the transportation sector, which gives you even more opportunity to exert the creativity you're developing in this SES program.

As I said before, I'm proud that you're on our team. You helped seek out ways to reduce the Department budget, you looked for waste that could be cut, searched for less expensive and more efficient ways to execute the programs, and you found them.

Some of you in the FAA, along with the flight service specialists, technicians, are in the forefront in designing a new system for the Nation's air traffic control. In so doing, you're helping us keep our commitment to upgrade the system and employ the latest technology in keeping the airways safe. Others among you have exerted your leadership in the auto industry studies, which have paved the way for [the] ongoing regulatory reform program, reform which will help a vital national industry to function and compete again in the free market system.

You know, good tax policy is one in which, as much as possible, the tax that funds a service is levied on those who benefit from the service. Your leadership in developing the transportation user-fee concept will more equitably distribute the cost of transportation among those who actually benefit. The qualities that you've demonstrated in your work at Transportation are the universal requirements for outstanding service in any public endeavor. You can't ever have good programs without good people to deliver them.

The theme of our administration is a new beginning, a national renewal that will make America great again; and for that, we need a spirit of renewal and excellence in all of government. Thanks to you and thousands of other dedicated public servants, we've made an important beginning. We've cut waste, eliminated redtape, and provided better services to the American taxpayers, which is why we're all here.

I don't know about you, but I think this is an exciting time in our nation's history, a time of both change and reaffirmation. And each of you and your colleagues throughout the Federal Government are on the frontline day-in and day-out, translating policy goals into accomplished realities. The times call out for excellence, and groups like yours are providing it.

During my 8 years that I mentioned before in the government of California, we were able to create a more efficient, responsive, and economic State government, and still deliver, and in many cases improve, the full range of necessary services to the people of California. We couldn't have made any of that happen if we hadn't been able to recruit, retain, and motivate a dedicated cadre of State government employees—skilled professionals at every rung of the ladder. Many of them were a little nervous at first when I took office there in Sacramento. After all, for 25 years they'd been seeing me ride off into the sunset with "The End" superimposed on my back. [*Laughter*] They had some right to have doubts or questions about what might happen from there on.

Well, as it turned out, if I may say so, I had one advantage. I hadn't learned all the things that you can't do and, as it turned out, in going ahead in my innocent inexperience, discovered that some of them can be done if you give them a chance. More and more, dedicated State employees came up with ideas that led to greater efficiency and better management. California—which, if it were a nation, would be the seventh ranking economic power on Earth—went up from near bankruptcy to surpluses, which were returned to the taxpayers. Its bonds achieved a triple-A rating from Moody's, and its department of transportation, with no increase in the number of employees, absorbed a 60-percent increase in workload over the 8 years.

Now, I'm not suggesting that we do anything—[*laughter*]—just mentioning it. But, I believe that the vast majority of Federal workers are every bit as committed to rooting out waste and fraud and inefficiency as the taxpayers they serve. I believe they want to do the best possible job they can. This administration is dedicated to helping them, helping you, achieve this goal.

Old abuses and errors must be redressed. The mistakes of the past have already cost us far too much in economic stagnation and crippling taxes and inflation. But together, we can turn things around and make today's Federal Government a model for the generation that will come after us. Together—and that's the only way, together—we can make it happen. So, I'm counting on you, and so are the American people. And thank you all very much for what you're doing.

Thank you.

Note: The President spoke at 10:37 a.m. at the Department of Transportation.

Statement Reaffirming Support of Statehood for Puerto Rico

January 12, 1982

When I announced my candidacy for this office more than 2 years ago, I pledged to support statehood for the Commonwealth of Puerto Rico, should the people of that island choose it in a free and democratic election. Today I reaffirm that support, still confident in my belief that statehood would benefit both the people of Puerto Rico and their fellow American citizens in the 50 States.

While I believe the Congress and the people of this country would welcome Puerto Rican statehood, this administration will accept whatever choice is made by a majority of the island's population.

No nation, no organization nor individual should mistake our intent in this. The status of Puerto Rico is an issue to be settled by the peoples of Puerto Rico and the United States. There must be no interference in the democratic process.

Puerto Ricans have borne the responsibilities of U.S. citizenship with honor and courage for more than 64 years. They have fought beside us for decades and have worked beside us for generations. Puerto Rico is playing an important role in the development of the Caribbean Basin Initiative, and its strong tradition of democracy provides leadership and stability in that region. In statehood, the language and culture of the island—rich in history and tradition—would be respected, for in the United States the cultures of the world live together with pride.

We recognize the right of the Puerto Rican people to self-determination. If they choose statehood, we will work together to devise a union of promise and opportunity in our Federal union of sovereign States.

Statement on Tax Exemptions for Private, Nonprofit Educational Institutions

January 12, 1982

This issue of whether to deny tax exemptions to nonprofit, private educational institutions raises important questions and sensitive policy considerations.

My administration is committed to certain fundamental views which must be considered in addressing this matter:

—I am unalterably opposed to racial discrimination in any form. I would not knowingly contribute to any organization that supports racial discrimination. My record and the record of this administration are clear on this point.

—I am also opposed to administrative agencies exercising powers that the Constitution assigns to the Congress. Such agencies, no matter how well intentioned, cannot be allowed to govern by administrative fiat. That was the sole basis of the decision announced by the Treasury Department last Friday. I regret that there has been a misunderstanding of the purpose of the decision.

I believe the right thing to do on this issue is to enact legislation which will prohibit tax exemptions for organizations that discriminate on the basis of race.

Therefore, I will submit legislation and will work with the Congress to accomplish this purpose.

Announcement Concerning the Dismantling of the Department of Energy

January 12, 1982

The following individuals will compose a White House policy team, which will provide continuing policy guidance on implementing the President's decision to dismantle the Department of Energy:

Edwin Meese III, Counsellor to the President (Chairman)

Secretary Malcolm Baldrige, Department of Commerce

Secretary James Edwards, Department of Energy

Secretary James Watt, Department of the Interior

Secretary Caspar Weinberger, Department of Defense

Martin Anderson, Assistant to the President for Policy Development

Richard Darman, Assistant to the President and Deputy to the Chief of Staff

Craig Fuller, Assistant to the President for Cabinet Affairs

Edwin Harper, Deputy Director of the Office of Management and Budget

A steering group is also being formed with the primary role of providing coordination and direction to the activities of a series of working groups which will address in detail organizational, resource, legislative, and external relations issues. The membership of the steering group is as follows:

Joseph Wright, Deputy Secretary of Commerce (Chairman)

Ken Davis, Deputy Secretary of Energy (Vice Chairman)

Frank Carlucci, Deputy Secretary of Defense

Danny Boggs, Senior Policy Adviser, Office of Policy Development

Guy Fiske, Under Secretary of Energy

William Heffelfinger, Assistant Secretary of Energy

Martha Hesse, project manager, Energy Department transition, Department of Commerce

Donald P. Hodel, Under Secretary of the Interior

Dennis Kass, Senior Policy Adviser, Office of Policy Development

George Keyworth, President's science adviser

Frederick N. Khedouri, Associate Director, Office of Management and Budget

M. B. Oglesby, Deputy Assistant to the President, Legislative Affairs

Peter Teeley, Vice President's staff

Richard Wagner, Assistant to the Secretary of Defense

Robin West, Assistant Secretary of the Interior

Richard Williamson, Assistant to the President for Intergovernmental Relations

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Statement on the National Security Council Structure

January 12, 1982

I. National Security Council

The National Security Council (NSC) shall be the principal forum for consideration of national security policy issues requiring Presidential decision.

The functions and responsibilities of the NSC shall be as set forth in the National Security Act of 1947, as amended.

The NSC shall meet regularly. Those heads of departments and agencies who are not regular members shall participate as appropriate, when matters affecting their departments or agencies are considered.

The Assistant to the President for National Security Affairs, in consultation with the regular members of the NSC, shall be responsible for developing, coordinating, and implementing national security policy as approved by me. He shall determine and publish the agenda of NSC meetings. He shall ensure that the necessary papers are prepared and—except in unusual circumstances—distributed in advance to Council members. He shall staff and administer the National Security Council.

Decision documents shall be prepared by the Assistant to the President for National Security Affairs, and disseminated by him after approval by the President.

II. NSC Responsibilities of the Secretary of State

The Secretary of State is my principal foreign policy adviser. As such, he is responsible for the formulation of foreign policy and for the execution of approved policy.

I have assigned to the Secretary of State authority and responsibility, to the extent permitted by law, for the overall direction, coordination, and supervision of the interdepartmental activities incident to foreign policy formulation, and the activities of executive departments and agencies of the United States overseas. Such activities do not include those of United States military forces operating in the field under the command of a United States area military commander, and such other military activities as I elect, as Commander in Chief, to conduct exclusively through military or other channels. Activities that are internal to the execution and administration of the approved programs of a single department or agency and which are not of such nature as to affect significantly the overall U.S. overseas program in a country or region are not considered to be activities covered within the meaning of this directive.

The Secretary of State is responsible for preparation of those papers addressing matters affecting the foreign policy and foreign relations of the United States for consideration by the NSC.

III. NSC Responsibilities of the Secretary of Defense

The Secretary of Defense is my principal defense policy adviser. As such, he is responsible for the formulation of general defense policy, policy related to all matters of direct and primary concern to the Department of Defense, and for the execution of approved policy. The Joint Chiefs of Staff are the principal military advisers to me, the Secretary of Defense, and the NSC.

I have assigned to the Secretary of Defense authority and responsibility, to the extent permitted by law, for the overall direction, coordination, and supervison of the interdepartmental activities incident to defense policy formulation.

The Secretary of Defense is responsible for preparation of those papers addressing matters affecting the defense policy of the United States for consideration by the NSC.

IV. NSC Responsibilities of the Director of Central Intelligence

The Director of Central Intelligence is my principal adviser on intelligence matters. As such, he is responsible for the formulation of intelligence activities, policy, and proposals, as set forth in relevant Executive orders. I have assigned to the Director of Central Intelligence authority and responsibility, to the extent permitted by law and Executive order, for the overall direction, coordination, and supervision of the interdepartmental activities incident to intelligence matters.

The Director of Central Intelligence is responsible for the preparation of those papers addressing matters affecting the intelligence activities, policy, and proposals of the United States for consideration by the NSC.

V. Interagency Groups

To assist the NSC at large and its individual members in fulfilling their responsibilities, interagency groups are established as described herein. The focus of these interagency groups is to establish policy objectives, develop policy options, make appropriate recommendations, consider the implications of agency programs for foreign policy or overall national security policy, and undertake such other activities as may be assigned by the NSC.

A. The Senior Interagency Group—Foreign Policy (SIG–FP)

To advise and assist the NSC in exercising its authority and discharging its responsibility for foreign policy and foreign affairs matters, the SIG–FP is established. The SIG–FP shall be composed of the Director of Central Intelligence; the Assistant to the President for National Security Affairs; the Deputy Secretary of State (Chairman); the

Deputy Secretary of Defense or Under Secretary of Defense for Policy; and the Chairman, Joint Chiefs of Staff. Representatives of other departments and agencies with responsibility for specific matters to be considered will attend on invitation by the Chairman.

When meeting to consider arms control matters, the Group will be augmented by the Director, Arms Control and Disarmament Agency.

The SIG–FP will:

1. Ensure that important foreign policy issues requiring interagency attention receive full, prompt, and systematic consideration;
2. Deal with interdepartmental matters raised by any member or referred to it by subordinate interagency groups, or, if such matters require higher level consideration, report them to the Secretary of State for decision or referral to the NSC;
3. Assure a proper selectivity of the foreign policy/foreign affairs areas and issues to which the United States applies its efforts;
4. Monitor the execution of approved policies and decisions; and
5. Evaluate the adequacy and effectiveness of interdepartmental overseas programs and activities.

A permanent secretariat, composed of personnel of the State Department augmented as necessary by personnel provided in response to the Chairman's request by the departments and agencies represented on the SIG–FP, shall be established.

B. The Senior Interagency Group—Defense Policy (SIG–DP)

To advise and assist the NSC in exercising its authority and discharging its responsibility for defense policy and defense matters, the SIG–DP is established. The SIG–DP shall consist of the Director of Central Intelligence; the Assistant to the President for National Security Affairs; the Deputy or an Under Secretary of State; the Deputy Secretary of Defense (Chairman); and the Chairman, Joint Chiefs of Staff. Representatives of other departments and agencies with responsibility for specific matters to be considered will attend on invitation by the Chairman.

The SIG–DP will:

1. Ensure that important defense policy issues requiring interagency attention receive full, prompt, and systematic consideration;
2. Deal with interdepartmental matters raised by any member or referred to it by subordinate interagency groups, or if such matters require higher level consideration, report them to the Secretary of Defense for decision or referral to the NSC; and
3. Monitor the execution of approved policies and decisions.

A permanent secretariat, composed of personnel of the Department of Defense augmented as necessary by personnel provided in response to the Chairman's request by the departments and agencies represented on the SIG–DP, shall be established.

C. The Senior Interagency Group—Intelligence (SIG–I)

To advise and assist the NSC in exercising its authority and discharging its responsibility for intelligence policy and intelligence matters, the SIG–I is established. The SIG–I shall consist of the Director of Central Intelligence (Chairman); the Assistant to the President for National Security Affairs; the Deputy Secretary of State; the Deputy Secretary of Defense; and the Chairman, Joint Chiefs of Staff. Representatives of other departments and agencies will attend on invitation by the Chairman when such departments and agencies have a direct interest in intelligence activities under consideration.

When meeting to consider sensitive intelligence collection activities referred by the Director of Central Intelligence, the membership of the Group shall be augmented, as necessary, by the head of each organization within the intelligence community directly involved in the activity in question. When meeting to consider counterintelligence activities, the Group shall be augmented by the Director, Federal Bureau of Investigation, and the Director, National Security Agency.

The SIG–I will:

1. Establish requirements and priorities for national foreign intelligence;
2. Review such National Foreign Intelligence Program and budget proposals and

other matters as are referred to it by the Director of Central Intelligence;

3. Review proposals for sensitive foreign intelligence collection operations referred by the Director of Central Intelligence;

4. Develop standards and doctrine for the counterintelligence activities of the United States; resolve interagency differences concerning the implementation of counterintelligence policy; and develop and monitor guidelines, consistent with applicable law and Executive orders, for the maintenance of central counterintelligence records;

5. Consider and approve any counterintelligence activity referred to the Group by the head of any organization in the intelligence community;

6. Submit to the NSC an overall, annual assessment of the relative threat to United States interests from intelligence and security services of foreign powers and from international terrorist activities, including an assessment of the effectiveness of the United States counterintelligence activities;

7. Conduct an annual review of ongoing, sensitive, national foreign intelligence collection operations and sensitive counterintelligence activities and report thereon to the NSC; and

8. Carry out such additional coordination review and approval of intelligence activities as the President may direct.

A permanent secretariat, composed of personnel of the Central Intelligence Agency augmented as necessary by personnel provided in response to the Chairman's request by the departments and agencies represented on the SIG–I, shall be established.

D. Regional and Functional Interagency Groups

To assist the SIG–FP, Interagency Groups (IG's) shall be established by the Secretary of State for each geographic region corresponding to the jurisdiction of the geographic bureaus in the Department of State, for Political-Military Affairs, and for International Economic Affairs. Each IG shall be comprised of the Director of Central Intelligence; the Assistant to the President for National Security Affairs; the Chairman, Joint Chiefs of Staff; the appropriate Assistant Secretary of State (Chairman); and a designated representative of the Secretary of Defense. Representatives of other departments and agencies with responsibility for specific matters to be considered will attend on invitation by the Chairman. The IG for International Economic Affairs will, in addition to the above membership, include representatives of the Secretary of the Treasury, the Secretary of Commerce, and the U.S. Trade Representative.

IG's for arms control matters will, in addition to the above membership, include a representative of the Director, Arms Control and Disarmament Agency. Arms control IG's will be chaired by the representative of the Secretary of State or the representative of the Director, Arms Control and Disarmament Agency, in accordance with guidelines to be provided by the SIG–FP.

To assist the SIG–DP, IG's shall be established by the Secretary of Defense corresponding to the functional areas within the Department of Defense. Each IG shall be comprised of the appropriate Under or Assistant Secretary of Defense (Chairman); a representative of the Secretary of State; the Director of Central Intelligence; the Assistant to the President for National Security Affairs; and the Chairman, Joint Chiefs of Staff. Representatives of other departments and agencies will attend on invitation by the Chairman.

Under and Assistant Secretaries, in their capacities as Chairmen of the IG's, will assure the adequacy of United States policy in the areas of their responsibility and of the plans, programs, resources, and performance for implementing that policy. They will be responsible for the conduct of interagency policy studies within the areas of their responsibility for consideration by the SIG.

The Regional IG's also shall prepare contingency plans pertaining to potential crises in their respective areas of responsibility. Contingency planning will be conducted in coordination with the Chairman of the Political-Military IG, with the exception of the military response option for employment of forces in potential crises, which will remain within the purview of the Department of

Defense and will be developed by the Joint Chiefs of Staff.

To deal with specific contingencies, the IG's will establish full-time working groups, which will provide support to the crisis management operations of the NSC. These groups will reflect the institutional membership of the parent body, together with such additional members as may be required to respond to the contingency with the full weight of available expertise.

To assist the SIG–I, IG's shall be established by the Director of Central Intelligence. The IG for Counterintelligence shall consist of representatives of the Secretary of State; Secretary of Defense; the Director of Central Intelligence; the Director, Federal Bureau of Investigation; the Assistant to the President for National Security Affairs; Chairman, Joint Chiefs of Staff; the Director, National Security Agency; and a representative of the head of any other intelligence community organization directly involved in the activities under discussion. The IG for Counterintelligence will be under the chairmanship of the representative of the Director of Central Intelligence or the Director, Federal Bureau of Investigation, in accordance with guidelines to be provided by the SIG–I.

The operational responsibility or authority of a Secretary or other agency head over personnel from the department or agency concerned serving on IG's—including the authority to give necessary guidance to the representatives in the performance of IG duties—is not limited by this directive.

Statement on the Protection of Classified National Security Council and Intelligence Information

January 12, 1982

Unauthorized disclosure of classified information under the jurisdiction of the National Security Council and of classified intelligence reports is a problem of major proportions within the U.S. Government. The Constitution of the United States provides for the protection of individual rights and liberties, including freedom of speech and freedom of the press, but it also requires that government functions be discharged efficiently and effectively, especially where the national security is involved. As President of the United States, I am responsible for honoring both constitutional requirements, and I intend to do so in a balanced and careful manner. I do not believe, however, that the Constitution entitles Government employees, entrusted with confidential information critical to the functioning and effectiveness of the Government, to disclose such information with impunity. Yet this is precisely the situation we have. It must not be allowed to continue.

To this end, I hereby establish and direct implementation of the following policies.

Contacts with the Media

All contacts with any element of the news media in which classified National Security Council matters or classified intelligence information are discussed will require the advance approval of a senior official. An administrative memorandum will be prepared as soon as possible after the contact, recording the subjects discussed and all information provided to the media representatives.

Access

The unauthorized disclosure of classified National Security Council information, documents, and deliberations requires further control to limit access and to ensure an accurate record of those who have had access. The number of officials with access to documents relating to NSC matters will be kept to the minimum essential to the orderly conduct of the Government's business.

Investigations

The Government's lack of success in identifying the sources of unauthorized disclosure of classified National Security Council information and documents of classified intelligence information must be remedied and appropriate disciplinary measures taken. Henceforth, in the event of unauthorized disclosure of such information, Government employees who have had access to that information will be subject to investigation, to include the use of all legal methods.

Applicability and Implementation

The provisions of this directive shall be effective immediately and shall apply to all employees of, and elements within agencies participating in the National Security Council system, including the Executive Office of the President. The Assistant to the President for National Security Affairs is directed to establish the detailed procedures to implement policies.

Executive Order 12339—President's Commission on Housing

January 13, 1982

By the authority vested in me as President of the United States of America and in accordance with the Federal Advisory Committee Act, as amended (5 U.S.C. App. I), in order to increase the membership of the President's Commission on Housing by eight members Section 1(a) of Executive Order No. 12310 of June 16, 1981, is hereby amended to read as follows:

"Section 1. *Establishment.* (a) There is established the President's Commission on Housing. The Commission shall be composed of not more than thirty (30) members from private life and from State and local governments who shall be appointed by the President.".

RONALD REAGAN

The White House,
January 13, 1982.

[*Filed with the Office of the Federal Register, 9:18 a.m., January 15, 1982*]

Appointment of Five Members of the President's Commission on Housing

January 13, 1982

The President today announced his intention to appoint the following individuals to be members of the President's Commission on Housing:

Herbert Barness is chairman of the board, the Barness Organization, Warrington, Pa. Mr. Barness specializes in all phases of real estate financing, brokerage, development, and property management. He is married, has two children, and resides in Doylestown, Pa. He was born December 1, 1923.

Robert. G. Boucher is president and chairman of the board, 1st Denver Mortgage Co., Denver, Colo. Mr. Boucher is immediate past president of the Mortgage Bankers Association of America. He is married, has three children, and resides in Englewood, Colo. He was born April 25, 1924.

Robert F. Hatch is executive vice president, Cambrian Energy Systems, Inc., Culver City, Calif. Mr. Hatch was vice president and member of the board of directors, George Elkins Co., a diversified real estate company in 1978–79. He is married, has three children, and resides in Los Angeles, Calif. He was born August 27, 1934.

Charles E. Klumb has been president, Klumb Lumber Co., Biloxi, Miss., since 1953. Mr. Klumb is past president of the North American Wholesale Lumber Association and the Mississippi Lumber Manufacturers. He is married, has four children, and resides in Biloxi. He was born August 19, 1927.

Sherman R. Lewis, Jr., is president and director of Shearson Loeb Rhoades, Inc., New York, N.Y. Previously Mr. Lewis was vice chairman, cochief executive officer, Loeb Rhoades, Hornblower & Co. He is married, has four children, and resides in Ridgewood, N.J. He was born December 11, 1936.

Nomination of Anthony Cecil Eden Quainton To Be United States Ambassador to Nicaragua

January 13, 1982

The President today announced his intention to nominate Anthony Cecil Eden Quainton, of Washington, to be Ambassador to Nicaragua. He would succeed Lawrence A. Pezzullo.

Mr. Quainton entered the Foreign Service in 1959 as visa-commercial officer in Sydney. From 1962 to 1963, he attended Hindi language studies at the Foreign Service Institute. He was economic officer in Karachi (1963–64), in Islamabad (1964–66), and political and economic officer in New Delhi (1966–69). In the Department he was Senior Political Officer for India from 1969 to 1972. He was political officer in Paris (1972–73), and Deputy Chief of Mission in Kathmandu (1973–76). He was Ambassador to the Central African Republic from 1976 to 1978. From 1978 to 1981, he was Director of the Office for Combatting Terrorism, with the rank of Ambassador, in the Department.

Mr. Quainton graduated (B.A.) in 1955 from Princeton University and received his B. Litt. in 1958 from Oxford University, England. He was born April 4, 1934, in Seattle, Wash.

Nomination of John W. Crutcher To Be a Commissioner of the Postal Rate Commission

January 13, 1982

The President today announced his intention to nominate John W. Crutcher to be a Commissioner of the Postal Rate Commission for a term expiring October 16, 1986.

Mr. Crutcher is currently an investment manager. From 1979 to 1980, he served as office manager on the Dole for President Committee, and from 1977 to 1979, he was with the National Transportation Study Commission. From 1975 to 1977, he was Director of the Bureau of Outdoor Recreation, Department of Interior. He was administrative assistant to U.S. Senator Bob Dole (1974–75); Director of the Division of State and Local Government, OEO (1969–74); and Lieutenant Governor of Kansas from 1965 to 1969.

Mr. Crutcher graduated from the University of Kansas (B.S.) in 1940. He was born December 16, 1916, in Ensign, Kans., and is a resident of Alexandria, Va.

Nomination of Frederic Arnold Eidsness, Jr., To Be an Assistant Administrator of the Environmental Protection Agency

January 13, 1982

The President today announced his intention to nominate Frederic Arnold Eidsness, Jr., to be Assistant Administrator for Water Programs, Environmental Protection Agency.

Since December 1978, Mr. Eidsness has been vice president in charge of environmental management services with BMML, Inc. From 1975 to 1978, he was director, comprehensive planning, at Larimer-Weld Regional Council of Governments in Loveland, Colo. From 1970 to 1973, he was with the Federal Water Pollution Control Administration, Environmental Protection Agency, Region IV, in Atlanta, Ga. From 1968 to 1970, he served in the United States Navy and in 1967 was air pollution control engineer with the County Health Department in Palm Beach, Fla.

Mr. Eidsness graduated in 1967 from Vanderbilt University with a degree in civil (sanitary) engineering and has attended the University of the Americas, Mexico City (1963), and the University of Madrid, Spain (1966).

Mr. Eidsness was born December 1, 1944, in Jacksonville, Fla., is married, and resides in Masonville, Colo.

Remarks at the New York City Partnership Luncheon in New York

January 14, 1982

David, I thank you very much. Cardinal Cooke, Governor Carey, Mayor Koch, our two Senators—your two Senators. I've tried to claim them on several occasions—[*laughter*]—and sometimes with success. [*Laughter*] All the ladies and gentlemen here at the head table and all of you:

I'm delighted to be back in New York and to be able to enter here wearing a scarf presented to me this morning by the mayor and to have this chance to meet with this distinguished group.

My advisers recently presented me three choices for a New Year's resolution on the budget. First, cut spending so deeply that we would destroy the safety net. Second, raise taxes. Third, have lunch with David Rockefeller. [*Laughter*] So, don't worry, but—David, really don't worry. I came to praise you not to bankrupt you—[*laughter*]—and there's a lot of praise to give. You know, there is a new spirit of individual initiative rising in our land, and a good deal of the credit belongs to you and to your colleagues.

I'm going to digress for a moment from what I intended to say right here. A terrible tragedy took place in the Capital City yesterday—the full extent of that tragedy still not yet known.[1] But I only mention it because there are cynics who don't somehow believe in humanity anymore and in projects such as the one that you're engaged in and the ones that I've been talking about, doubt whether people can carry them out.

But what better example? Yesterday we saw a partnership, yes. The agencies and departments of government responsible in times of emergency were there. The heroism of the firemen in the icy waters is well known to all of us. But then there was just a bystander who saw a woman lose her grip on the line the helicopter was using to bring her to shore and without hesitation, he dived into the water. Lenny Skutnik. Nothing had picked him out particularly to be a hero, but without hesitation, there he was and he saved her life.

There's another man whose name we

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[1] *The President was referring to the crash of Air Florida flight 90 upon take-off from Washington's National Airport.*

don't know, but the helicopter pilot tells of him. He was one of the group that were clinging to the wreckage out there in the icy waters. And time after time, the line from the helicopter with the ring, the life ring came to him, and each time he picked out someone else and worked to get the ring around them. And four people are alive today because he did this. We don't know who he is because he gave his life in doing that and sank beneath the waves before it could come back again—the helicopter—for him. Greater glory hath no man . . . .

You know, someone has once said that a hero is no braver than any other man. He's just brave 5 minutes longer.

We know the severe problems that your city has battled. With construction falling, profits falling, firms fleeing, jobs disappearing, and essential services jeopardized, New York was pronounced dead more than once.

But like with Mark Twain, the reports were exaggerated. It didn't happen because you wouldn't let it happen, and you won't let it happen. Good cities only die when they don't have leaders of courage and vision—the kind of leaders sitting at this head table and at every other table in this room.

The most powerful force in the world comes not from balance sheets or weapons arsenals, but from the human spirit. It flows like a mighty river in the faith, love, and determination that we share in our common ideals and aspirations.

When New York was in trouble, groups which had quarreled for years joined together to fight for the greater good of saving the city. Labor, business, government, voluntary associations all pitched in. Out of that spirit of shared sacrifice was born this unique group—your New York City Partnership. With a membership and mission touching every corner of the city, you reflect the rich diversity that makes New York such a special place.

In your beliefs, your efforts, and your accomplishments, you are setting the course to progress and freedom that our nation must follow. You are that tough little tug that can pull our ship of state off the shoals and out into open water. You believe private initiative, the private sector are essential to economic and social progress, and so do all of us in our administration. Together, we urge others to take part, because we believe in ourselves and in those we help and in our ability to produce positive change.

I'm told that your partnership launched the biggest project ever attempted in an American city to strengthen mass transportation by lending executive assistance. And you also created, as you've been told here today, 14,000 jobs for economically disadvantaged youngsters in 1,800 private businesses. Nothing that large or successful has ever been achieved anywhere else. And today I learned that your goal for this summer is even higher.

This morning I had the opportunity to meet some of the young people you've already helped. They told me the jobs you provided gave them much more than income; they also received the confidence they need to seek and find jobs next summer and in the years ahead. I'm going to wear that T-shirt that was given to me.

We want your New York Partnership to succeed and grow. But truthfully, we want much more. We want an American Partnership that includes every community in our nation, one that will build on what you and others have begun. A renaissance of the American community, a rebirth of neighborhood—this is the heart and soul of rebuilding America.

May I interject an encouraging word about that partnership that I mentioned. We have just completed our Combined Federal Campaign, chaired by Secretary of Commerce Mac Baldrige. Two hundred and thirty thousand Federal employees in Washington topped last year's total by one and a quarter million dollars—the biggest increase in the campaign's 18-year history. They contributed $13,665,000 to our annual government charity drive.

Last January when I spoke about a new beginning, I was talking about much more than budget cuts and incentives for savings and investment. I was talking about a fundamental change in the relationship between citizen and government—a change that honors the legacy of the Founding Fathers and draws upon all our strengths as leader of the free world as we approach the 21st century.

Preservation of freedom is the gift of our Revolution and the hope of the world. The brutal, Soviet-sponsored repression in Poland reminds us how precious our blessings are. Ironically, the Soviets understand and agree. They believe that freedom is precious, too, so they ration it like all the other good things their people don't have.

There's nothing artificial about freedom, nor any guarantee it will endure. Dwight Eisenhower warned that, "Freedom has its life in the hearts, the actions, the spirit of men; it must be daily earned and refreshed—else like a flower cut from its life-giving roots, it will wither and die."

The key to rebuilding communities is individual initiative, leadership, personal responsibility. If we encourage these qualities in our people—and especially in our young people—then our freedoms will not wither and die. They will blossom and permit us to reach for our dreams, to go as far as our God-given talents will take us.

This can be an era of losing freedom or one of reclaiming it. I think we've made our choice and turned an historic corner. We're not going back to the glory days of big government. Some in Washington still pine for the politics of the past, policies that didn't work and never will. We're living with the misery of their mistakes.

The best view of big government is in a rearview mirror as we leave it behind. If it's commerce, they regulate it. If it's income, they tax it. If it's a budget, they bust it. And given their way, they'd make everything that isn't prohibited, compulsory. [*Laughter*] And then when everything falls apart, they tell us it's because we let them down. Well, we weren't put on this Earth just to make government bigger.

I know that they were well-intentioned with all their social experiments, but too often, those meant to benefit most from government-imposed solutions paid the highest price and bore the deepest scars when they failed.

In 20 years, the Federal budget increased fivefold and the cost of welfare grew tenfold. But that didn't help many local governments which lost effective control of their communities. It didn't help small businesses hit by the highest interest rates in a hundred years. It didn't help the working poor and pensioners flattened by double-digit inflation and taxation.

The era of rising savings, investment, productivity, growth, and technological supremacy that we once knew has somehow slipped from our grasp.

Did we forget that government is the people's business and every man, woman, and child becomes a shareholder with the first penny of tax paid? Did we forget that government must not supersede the will of the people or the responsibilities of the people in their communities? Did we forget that the function of government is not to confer happiness on us but to give us the opportunity to work out happiness for ourselves?

It's not a question of turning back the clock or a long retreat into the past. No one denies that government has an essential role to protect those in need, to provide opportunity, to pave the way. But ultimately, it is individuals, millions of everyday citizens who brave new horizons, expand freedom, and create better lives for us all.

Only when the human spirit is allowed to invent and create, only when individuals are given a personal stake in deciding their destiny, in benefiting from their own risks, only then can society remain alive, prosperous, progressive, and free.

You in the private sector—corporations, firms, merchants, family farmers, Mom and Pop stores all over the country—you hold the key. I believe this with every ounce of my being. And that's why I'm confident about our economic recovery program, because it places a premium on individual initiative, on "We the People."

Yes, we're in a recession. Our administration is cleanup crew for those who went on a nonstop binge and left the tab for us to pick up. The recession hurts. It causes pain. But we'll work our way out of it and faster than expected. Our economic program will work because Americans want it to work. And we're going to make it work because it's based on common sense: Reduce the percentage of gross national product that is being taken by the Government.

I receive a few letters in this job, as you might imagine. But there's one letter I still haven't received—the one that says, "Dear Mr. President, will you please rescind my tax cut? Will you please raise my taxes so we can get our economy moving again?"

We believe, as did Thomas Jefferson, that what people earn belongs to them. Government shall not take from the mouth of labor the bread it has earned. Despite massive resistance from tax spenders, we put together the greatest collection of incentives in 50 years to help working Americans rebuild their financial security. In the months ahead, if they work or save more than they did before, their reward will be greater for it, greater than it was.

These incentives are just beginning. More will follow, and people will take advantage of them. Dollar by dollar, one day at a time, they'll start saving for their future again. And as they do, they're going to save America's future.

I don't know about you but I'm getting tired of whining voices telling us we can't do this and we can't do that. Don't tell Americans what they can't do, just tell them what needs doing and watch them surprise you with their ingenuity. Surprisingly, it won't take much.

If America can increase its savings rate by just 2 percentage points, we can add nearly $60 billion a year to our capital pool to fight high interest rates, finance new investments, new mortgages, and new jobs. I believe a country that licked the Great Depression and turned the tide in World War II can increase its savings rate by 2 percentage points—and will.

If our incentives motivate people to work just 30 minutes more a week, the gross national product will grow by $25 billion. That means hundreds of thousands of new jobs and a lower deficit. If we could send astronauts to the Moon and bring them safely back in 1969, we can get Americans back to work who want jobs, need jobs, and deserve jobs—and we will.

This nation has no mission of mediocrity. We were never meant to be second-best. The spirit that built our country was bold, not timid. It was a spirit of pride, confidence, and courage that we could do anything. And we still can today. I'm appealing to the American people: Ignore the prophets of failure who are paralyzed with fear. Set your sights on number one, and together let's go for it.

Let's rediscover America—not the America bound by the Potomac River, but the one beyond it: the America whose initiative, ingenuity, and audacity made us the envy of the world; the America whose rich tradition of generosity began with simple acts of neighbor caring for neighbor.

We passed our reforms in Washington, but change must begin at the grassroots, on the streets where you live. And that's why on September 24th, I announced that we were launching a nationwide effort to encourage citizens to join with us in finding where need exists, and then to organize volunteer programs to meet those needs.

Six weeks ago, I had the honor of appointing a private sector initiatives task force whose distinguished chairman, as Dave told you, Bill Verity, is with me here today. The word "partnership" will be key to the task force's success, just as it has already been to your own. We want to see community partnerships between the private and public sector in every community in America.

I've asked the task force to seek out successful community models of private sector initiatives—schools, churches, businesses, unions, the foundations, and civic groups—and give them the recognition they deserve. I wonder if I might make this same request to the members of the media. When you see meaningful examples of personal leadership, would you let the public know about them? Would you make sure that our young people know that honor, integrity, kindness, and courage do exist; that they are important to live up to?

Community groups are part and parcel of our national heritage. They respond to our desire for cooperation, sympathy, teamwork, and brotherhood. They help to share [shape] our lives. They're close to the problems we face, and they can best find the solutions we seek.

The American spirit of neighborhood is like a communion of hearts that rings the country. It offers a wealth of concern, talent, and energy ready to be tapped. The Reverend Billy Graham estimates that if every church and synagogue in the United States would average adopting 10 poor families beneath the poverty level—now notice I said average; obviously, some smaller churches and temples might adopt only one but then larger churches could adopt many more—but if the average adopted was 10, we could eliminate all government welfare in this country—Federal, State, and local. And because it would be manned by volunteers, the cost would be infinitely less and the actual help greater because it would come from the heart.

Isn't it time that we all agree that we should be providing incentives to help people get off welfare, so we can stop demoralizing human beings and start saving them?

Now we realize, especially in the case of business donors and foundations, that government has placed obstacles in the way of private initiative. So, I've asked the task force to help identify these and to recommend ways to me for their removal. We'll ease government regulations to encourage initiatives.

I told Bill Verity 6 weeks ago, "I don't want a committee report. Give me action and results. Get the private sector in the driver's seat so we can start using market incentives and philanthropy to find lasting solutions to community problems." Coming up here today, he told me that his task force committees have already developed an action plan and all systems are go.

The American people understand the logic of our approach. A recent Roper poll found a large majority believe that government does not spend tax money for human services as effectively as a leading private organization like the United Way.

Now, I don't want to leave the impression that our administration is asking the private sector to fill the gap, dollar for dollar, for every reduction in the Federal budget. We don't want you to duplicate wasteful or unnecessary programs. We want community models that have worked, models we can emulate and build on.

Private human capital is far more valuable and effective than Federal money. Once we do get the private sector in the driver's seat, we can go just as far as your imagination and inspiration take us. For example: Pima County, Arizona, concerned about the impact of budget cuts, looked into their hot meals program for the elderly. They discovered that out of their 53 [thousand] dollar budget, $50,000 went for staffing and administrative overhead. So, they eliminated the overhead, ran the program with volunteers. They doubled the food budget to $6,000, saved $47,000, and ended up feeding twice as many people.

The people who manage Jubilee Housing, a privately funded housing development in Washington, D.C., told us they can renovate housing units for the poor for much less than federally financed programs. The tenants then share responsibility for building maintenance in return for reduced rents. Jubilee also operates a job placement service and has placed 55 welfare recipients in full-time jobs since it began last May. But the real beauty is what happens to the people and families who participate. We asked the fellow who runs this church- and company-supported operation to compare Jubilee to public housing. He said, "There is one difference. Jubilee changes lives."

Last summer, the city of Boston was faced with a loss of revenues and decided it could no longer afford to operate its swimming pools or run its summer programs. That meant closing down 18 area pools and terminating 400 neighborhood basketball teams for thousands of children. But a group called the Boston Committee, which had dealt earlier with the city's racial tensions, made an appeal to business and foundation groups: "Donate $400,000 and help us operate the pools and run the sports clinics."

The private sector came through, United Way chipped in $10,000 to cover administrative expenses. All told, the funds contributed amounted to much less than the cost of the canceled programs. But it didn't matter, because neighborhood volunteers cleaned and supervised the pools and provided their own lifeguards. One other thing, there was remarkably less vandalism or destructive behavior at the Boston pools last summer. Parents themselves were taking greater responsibility for their children's conduct.

The U.S. Comptroller General's office reported in 1977 that we wasted $31 billion worth of food that year. That's 137 million tons or 20 percent of our entire annual production.

Now there are volunteer groups across the Nation called Gleaners trying to remedy that. One of the first of these was formed by a student at my alma mater, a little tiny college out in Illinois, Eureka College. He got the idea a few years back when there was so much talk at the time of world hunger. He and members of his fraternity got permission to go into the fields after harvest and pick up what had been missed.

In California, a local charity group called FOOD Share salvages food and distributes it to the elderly and needy. Its members work docks and canneries, picking up unused but edible vegetables and fruits. On a good day, they pack over 1,000 boxes.

Another California group called Gleaners Statewide works in fields and orchards salvaging acres of produce that would be left unpicked or lying on the ground to rot because labor costs make it uneconomic to salvage. This group's efforts have already been cited by the State Farm Bureau. Their leader, Homer Fahrner, told the Christian Science Monitor that with a little support from business, a day's work from those on welfare and the unemployed, we could lick the hunger problem in this country and maybe in the entire world.

Don't tell us we can't cope with our problems. Don't tell us that America's best days are behind her. The world's hope is America's future. America's future is in your dreams. Make them come true. If we believe in ourselves and in the God who loves and protects us, together we can build a society more humane, more compassionate, more rewarding than any ever known in the history of man.

Not too long ago, I received a letter from a 94-year-old woman in Odessa, Florida. She's blind—had to have her daughter type it. She said she had never written a President before, but she had to write me to say how thrilled she was at what we're trying to do: To become again a nation of neighbors who care about each other, families who take care of their own. "That was the strength of America," she said. "It was what made us great." And she closed with this: "I just want to say God bless you and your efforts, and may He move us all to do our part."

May He move us all to do our part. Isn't that what it's all about? An obligation, a personal responsibility to give something back to a country that has given us so much. We can't all be the best, but we can each give our best, and America deserves no less.

I received another letter just a few days ago from a Massachusetts man in his eighties. He enclosed his entire month's check from social security to be used for reducing the national debt.

Let us start asking ourselves in 1982, "What did I do today that will help a fellow American in need?" If the answer is nothing, then the next question is, "What am I going to do about that tomorrow?"

The Bible talks of faith, hope, and charity, and the greatest of these is charity. The real meaning of the parable of the Good Samaritan has always been not so much the benefit that was done to the pilgrim who had been beaten, but the good that accrued to the Samaritan for going to his aid, who crossed to the other side of the road where the beaten pilgrim lay, bound up his wounds, and carried him to the nearest town. He didn't hurry on by and then when he got to town tell a caseworker that there was someone out there back aways that needed help. [*Laughter*]

Henry David Thoreau once asked: "If a man constantly aspires, is he not elevated? Did ever a man try heroism, magnanimity, truth, sincerity, and find that there was not advantage in them—that it was a vain endeavor?"

Of course not. Not then. Not now. Not ever. What we give will be given back many times over. It is we who will be richer, stronger, better. And as we change, so will America. I told you already that the hero is just a hero 5 minutes longer.

Let me leave you with the words of Herb Brooks. He happens to be coach of the New York Rangers now, but he formerly was coach of our Gold Medal Olympic hockey team. I think everyone will remember the thrill those young Americans gave us. They made us so proud at the Olympics at Lake Placid when they beat the unbeatable Russian team. Coach Brooks was in the locker room before they took the ice against the Russians. He knew they'd have to be better than they ever could be. He wanted to fill his players with confidence—play the game of their lives. So, he told them: "You are born to be a player. You are meant to be here at this time. This is your moment."

Well, this is our moment, yours and mine. Our time to justify the brief time we spend here, to be able to look our children and our children's children in the face and tell them that in our time here we did all that could be done.

Thank you for being here today, for the cause that unites us. God bless you. We're on our way.

Note: The President spoke at 1:33 p.m. in the Grand Ballroom of the Waldorf-Astoria Hotel after an introduction by David Rockefeller. Mr. Rockefeller is chairman of the board of the Chase Manhattan Bank and chairman of the New York City Partnership, an association of business and civic leaders dedicated to improving economic and social conditions in the city.

Earlier in the day, the President met in his suite at the hotel with a group of New York students employed through the Partnership.

Following the luncheon, the President met at the hotel with Javier Perez de Cuellar de la Guerra, Secretary-General of the United Nations, and Jeane J. Kirkpatrick, U.S. Representative to the United Nations.

The President returned to Washington, D.C., late in the afternoon.

Statement on the Anniversary of the Birth of Martin Luther King, Jr.

January 15, 1982

There are moments in history when the voice of one inspired man can echo the aspirations of millions. Dr. Martin Luther King, Jr., was such a man. To America he symbolized courage, sacrifice, and the tireless pursuit of justice too long denied. To the world he will be remembered as a great leader and teacher, a man whose words awakened in us all the hope for a more just, more compassionate society.

He dreamed of an America in which our children "will not be judged by the color of their skin, but by the content of their character," and he reminded us that "injustice anywhere is a threat to justice everywhere." His time among us was cut tragically short, but his message of tolerance, nonviolence, and brotherhood lives on.

On this the 53d anniversary of his birth, let us all rededicate ourselves to making Martin Luther King's inspiring dream come true for all Americans.

Statement on the Murder of Lt. Col. Charles R. Ray, Assistant Army Attaché in Paris

January 18, 1982

Lieutenant Colonel Charles R. Ray, our Assistant Army Attaché in Paris, was a distinguished career officer. He gave his life in the line of duty as surely as if he had fallen in battle. Our hearts go out to his family in their bereavement, and the wanton act of his murderers reinforces our determination to stamp out international terrorism and prevent similar tragedies in the future.

Exchange With Reporters on Terrorism

January 18, 1982

Q. What about the shooting, Mr. President? What about the killing of the American? Is there anything we can do about these outbreaks of terrorism, or are we just helpless?

The President. Well, I think terrorism is the hardest thing to curtail. As a matter of fact, I've said for many years that probably the only defense you have against terrorist attacks is really infiltration to try and find out in advance what their plans are. And in the last few years that's been made more difficult. We're doing our best to try and correct something like that.

Q. Why would anyone want to shoot an obscure lieutenant colonel? What's the advantage?

The President. Well, why would anyone want to just park a car with a bomb in a street where they don't even know the people that are going to be killed and blow them up? That's exactly why they have the word "terrorist." Their belief is—there isn't a motive in the individual that they're killing. The great, senseless cruelty and tragedy of it is simply to create terror by making people generally feel unsafe.

Q. Is there enough international cooperation on this issue of terrorism, Mr. President, between countries to try to stop it?

The President. I would say that there is. We've been having the greatest cooperation with Italy so far.

Q. Is General Dozier still alive, in your belief?

Deputy Press Secretary Speakes. Thank you.

The President. What?

Q. General Dozier? Is he still alive?

The President. We don't know.

Note: The exchange began at approximately 1:15 p.m. as the President was beginning a meeting with Mike Mansfield, U.S. Ambassador to Japan, in the Oval Office at the White House.

Nomination of Keith Lapham Brown To Be United States Ambassador to Lesotho

January 18, 1982

The President today announced his intention to nominate Keith Lapham Brown, of Colorado, to be Ambassador to the Kingdom of Lesotho. He would succeed John R. Clingerman.

Mr. Brown served in the United States Navy in 1943–46. He was a lawyer with the firm of Long, Byrd, Cross, Ladon and Oppenheimer in San Antonio, Tex., in 1949–55. Since 1955 he has been vice president of Caulkins Oil Co. in Oklahoma City, Okla. (1955–59), and in Denver, Colo. (1959 to present). Since 1972 Mr. Brown has been president of Brown Investment Corp. in Denver, Colo.

He attended the University of Illinois (1943–44), University of Texas (1944–45), and Northwestern University Law School (1946–47). He graduated from the University of Texas Law School (LL.B., 1949).

Mr. Brown is married, has three children, and resides in Denver, Colo. He was born June 18, 1925, in Sterling, Ill.

Nomination of Maynard W. Glitman for the Rank of Ambassador While Serving at the Intermediate Range Nuclear Force Negotiations

January 18, 1982

The President today announced his intention to nominate Maynard W. Glitman, of Vermont, for the rank of Ambassador while serving as Department of State Representative and Deputy Head of the United States Delegation to the Intermediate Range Nuclear Force Negotiations.

Mr. Glitman entered the Foreign Service in 1956 as economic officer in the Department of State and was fiscal and financial officer in 1957–59. Recently he was Director of the Office of International Trade (1973–74) and Deputy Assistant Secretary of State for International Trade Policy (1974–76). He was on detail as Deputy Assistant Secretary of Defense for International Trade Policy (1974–76) and was on detail as Deputy Assistant Secretary of Defense for International Security Affairs in 1976–77. In 1977–81 Mr. Glitman was Deputy Chief of Mission at the United States Mission to the North Atlantic Treaty Organization in Brussels.

He graduated from the University of Illinois (B.A., 1955) and the Fletcher School of Law and Diplomacy (M.A., 1956). He was born December 8, 1933, in Chicago, Ill.

Proclamation 4890—National Jaycee Week, 1982

January 18, 1982

By the President of the United States of America

A Proclamation

More than sixty years ago, the Jaycee idea began in St. Louis, Missouri. Today there are more than three hundred thousand members in 8,318 chapters across the country.

Over the years, the Jaycees have worked to meet the vital needs of our ever-changing and increasingly complex society. Motivated by their creed, "Service to humanity is the best work of life," hundreds of thousands of Jaycees have reached out to their fellow citizens in need and, in the process, have enriched their own lives.

In recognition of the accomplishments of this unique organization, the Congress of the United States has, by Senate Joint Resolution 117 (P.L. 97–144), authorized and requested the President to issue a proclamation designating the week of January 17, 1982, through January 23, 1982, as "National Jaycee Week."

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate the week beginning January 17, 1982, as National Jaycee Week, and I call upon the people of the United States to observe that period with appropriate programs, ceremonies and activities.

In Witness Whereof, I have hereunto set my hand this eighteenth day of January, in the year of our Lord nineteen hundred and eighty-two and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 2:56 p.m., January 18, 1982*]

Letter to the President of the Senate and the Speaker of the House Transmitting Proposed Legislation on Tax Exemptions for Private, Nonprofit Educational Institutions

January 18, 1982

Dear Mr. President: (Dear Mr. Speaker:)

As you are aware, the Department of the Treasury announced on January 8 that the Internal Revenue Service would no longer deny tax-exempt status to private, nonprofit educational organizations that engage in racially discriminatory practices but otherwise qualify for such status under the present Internal Revenue Code. That decision reflects my belief that agencies such as the IRS should not be permitted, even with the best of intentions and to further goals that I strongly endorse, to govern by administrative fiat by exercising powers that the Constitution assigns to the Congress.

I share with you and your colleagues an unalterable opposition to racial discrimination in any form. Such practices are repugnant to all that our Nation and its citizens hold dear, and I believe this repugnance should be plainly reflected in our laws. To that end, I am herewith submitting to the Congress proposed legislation that would prohibit tax exemptions for any schools that discriminate on the basis of race. This proposed legislation is sensitive to the legitimate special needs of private religious schools.

I pledge my fullest cooperation in working with you to enact such legislation as rapidly as possible, and urge that you give this matter the very highest priority.

I have been advised by the Secretary of the Treasury that he will not act on any applications for tax exemptions filed in response to the IRS policy announced on January 8, until the Congress has acted on this proposed legislation.

I believe the course I have outlined is the one most consistent both with our mutual determination to eradicate all vestiges of racial discrimination in American society, and with a proper view of the powers vested in the Congress under our constitutional system.

I feel this legislative action is important to and desired by all citizens of this great Nation; I am confident that you will give this issue the prompt attention it deserves.

Sincerely,

RONALD REAGAN

Note: This is the text of identical letters addressed to George Bush, President of the Senate, and Thomas P. O'Neill, Jr., Speaker of the House of Representatives.

Appointment of J. Upshur Moorhead as a Special Assistant to the President

January 19, 1982

The President today announced his intention to appoint J. Upshur (Jay) Moorhead to be Special Assistant to the President in the Office of the Deputy Chief of Staff. He will succeed James S. Rosebush.

Mr. Moorhead's major responsibility will be to serve as the White House coordinator for the President's Task Force on Private Sector Initiatives.

Since February 1981, Mr. Moorhead has been executive assistant to E. Pendleton James, Assistant to the President for Presidential Personnel. During the 1980 general election, Mr. Moorhead worked in New England as director for the Republican National Committee's Commitment '80 program, which was the Republican Party's grassroots and volunteer get-out-the-vote effort in the general election. Prior to the Republican National Convention, Mr. Moorhead directed the George Bush campaign in several northeastern States. He also worked for 2 years as the New England director of the Republican National Committee's local elections division.

While living in New England, Mr. Moorhead was active in developing two nonprofit organizations which taught underprivileged and handicapped persons how to play tennis.

Mr. Moorhead, who was born in Washington, D.C., received his B.A. from the University of Vermont, Burlington, Vt. He is 29 years old and resides in Washington, D.C.

Appointment of 14 Members of the National Advisory Council on Adult Education

January 19, 1982

The President today announced his intention to appoint the following individuals to be members of the National Advisory Council on Adult Education:

Lily Ring Balian is administrator, community affairs, Northrop Corp., in Los Angeles, Calif. She was born July 17, 1925, in Chicago, Ill.

Daniel E. Brennan, Sr., is a partner with the law firm of Brennan, McNamara & Brennan in Bridgeport, Conn. He was born May 9, 1913, in Bridgeport.

Patric Dorsey is owner and manager of Mulberry, Inc., in New Bern, N.C. She was born August 30, 1924, in El Reno, Okla.

Joyce Lee Gorringe is owner and manager of a farm in Naperville, Ill. She was born August 10, 1928, in Hammond, Ind.

Nancy H. Hill is active in community service in Lyndonville, Vt., and is a former high school teacher. She was born July 6, 1940, in Philadelphia, Pa.

Mary Sellman Jackson is owner and manager of Davidsonville Diversified Services in Davidsonville, Md. She is also a teacher in the Baltimore city public schools. She was born March 7, 1939, in Edgewater, Md.

Michael Marino is special assistant to Senator Arlen Spector (R-Pa.) in Philadelphia, Pa. He was born March 12, 1957, in Philadelphia.

Kathleen McCullough is executive secretary and personal assistant for the Oklahoma State auditor and inspector in Oklahoma City, Okla. She was born January 2, 1948, in Lawton, Okla.

Louis Stevens Ridgeway is vice president of the board of trustees, San Diego Community College District, in San Diego, Calif. He was born March 8, 1918, in Charleston, S.C.

Rawlein G. Soberano is assistant professor, division of history and sociology, Our Lady of Holy Cross College, in New Orleans, La. He was born April 19, 1941, in Barcolod, Philippines.

Patricia Smith is a member of the Worthington Board of Education in Worthington, Ohio. She was born March 31, 1935, in Athens, Ohio.

Mary Elizabeth Strother is a teacher with the Peoria Unified School District in Peoria, Ill. She was born September 10, 1931, in Akron, Pa.

Ruth Raymond Thone is active in community affairs and is currently a columnist and freelance writer in Lincoln, Nebr. She is the wife of Gov. Charles Thone (R-Nebr.). She was born November 21, 1931, in Scottsbluff, Nebr.

Joseph Ben Trujillo is president, Larimer Insurance Group, Inc., in Englewood, Colo. He was born September 26, 1947, in Santa Fe, N. Mex.

Appointment of 10 Members of the Presidential Commission on Broadcasting to Cuba, and Designation of Chairman

January 19, 1982

The President today announced his intention to appoint the following individuals to be members of the Presidential Commission on Broadcasting to Cuba. The President also announced his intention to designate F. Clifton White to be Chairman.

William Bourne Bayer is political editor and news commentator for WINZ Radio in Miami, Fla. Previously he was with WITA-TV in Miami as news director. He was born March 28, 1922, in Richmond, Ind.

Joseph Coors is president and vice chairman of the board for Coors Brewers in Golden, Colo. He was born November 12, 1917, in Denver, Colo.

Tirso del Junco is chairman of the California Republican Party. He is currently chief of the department of surgery at Santa Marta Hospital in East Los Angeles, Calif. He was born April 20, 1925, in Havana, Cuba.

George Jacobs was Director of Engineering, U.S. Board for International Broadcasting, in 1976–1980. He is currently retired. He was born July 16, 1924, in New York, N.Y., and resides in Silver Spring, Md.

Jorge L. Mas is president and chief executive officer, Church and Tower of Florida, Inc., a Miami-based firm of engineering contractors. He was born September 21, 1939, in Santiago, Cuba.

Richard M. Scaife is a publisher in Pittsburgh, Pa. He is currently publisher and director of City Communications, Inc. He was born July 3, 1932, in Pittsburgh.

Herbert Schmertz is vice president, public affairs, Mobil Oil Corp., in New York, N.Y. He was born March 22, 1930, in Yonkers, N.Y.

Richard B. Stone is senior partner, Proskauer, Rose, Goetz & Mendelsohn in Washington, D.C. He is a former United States Senator from Florida. He was born September 22, 1928, in New York.

F. Clifton White is a public affairs counselor in Greenwich, Conn. He has been active in many Presidential campaigns, including serving as director of Citizens for Goldwater-Miller in 1964. He was born June 13, 1918, in Leonardsville, N.Y.

Charles Z. Wick is Director of the International Communication Agency. He was born October 12, 1917, in Cleveland, Ohio.

The President's News Conference

January 19, 1982

The President. I was going to have an opening statement, but I decided that what I was going to say I wanted to get a lot of attention, so I'm going to wait and leak it. [*Laughter*]

So, we can start with the first question.

Program for Economic Recovery

Q. Mr. President, since you took office a year ago, there have been—unemployment has shot up to more than 9 million people. The recession has deepened. Two Republican Congressmen say that the tax increases that you may propose will hurt the little guy and give a bonanza to the big corporations. My question is: What are you going to do about the people who are undergoing great hardship now, and how's it possible for you to propose deep cuts in the social programs in view of all this suffering?

The President. Helen [Helen Thomas, United Press International], first of all, with regard to last year compared to this year, I realize there's been an increase in unemployment. It's been a continuation of an increase that got underway in the last several months of 1980. There are about—well, the unemployment rate averaged in 1981, 8.1 percent. It averaged 7.4 percent in all of 1980. But that is a kind of unfair comparison, because it was increasing very much more in the last 6 months of 1980.

I have the greatest sympathy—I think

anyone does—for those people who are unemployed. On the other hand, comparing this to the beginning of our term, there are a million people more working than there were in 1980, and there will be more people actually working, not counting the unemployed that might go back to work in 1982, just in connection with our growth. But that still isn't an answer for the unemployed.

But the people today have a lower interest rate than they had when we started. The inflation rate is sizably lower than it was when we took office. And so, we have set a program that has—and this has not been true before in any of the recessions of the past decade or so—we have in place a program now that is just getting underway that is designed to reduce the unemployment and to resolve these problems that are so bothersome today.

The first part of our tax program went into effect—that's another additional thing, the people have a lower rate of taxes than they did have. Part of that has been eliminated by the automatic increase passed by the previous administration in the social security payroll tax. But there will be another tax cut in July, and in this month we have had for the first time the elimination of the marriage penalty in taxes. But as these reductions in tax rates begin to take effect, then I'm quite sure we're going to see an upswing in the economy, and that is the answer to their problem.

Now, as to the cuts in social reforms, most of what we have done in that regard has not been a cut. There has not been a cut in the overall spending on human resources. Actually, there is an increase over the year before, and there will be an increase in '83 over '82 and on down the line. We have reduced the rate of increase in those programs. But much of the cut is aimed at trying to eliminate from the rolls those people who, I think, are unfairly benefiting from those programs.

Nothing has happened to change the situation of the person who is totally dependent on the government for help, nor are we going to change those things.

Q. Without monopolizing, Mr. President, can you answer the [Representatives] Lott and Kemp charge about hurting the little guy?

The President. Well, I don't think that we are doing that, and I'm going to have to have a little talk with them. I think that they are basing some of their charge on speculation on things that have been talked about widely so far in the media, and they have not heard from us what it is we're talking about or what we're planning.

Sanctions Against the Soviet Union

Q. Mr. President, it's been 3 weeks now since you announced the sanctions against the Soviet Union in connection with Poland. What effect, if any, have they had? If they haven't had any effect, what next and when?

The President. Well, I think they have had an effect, although there's no question the situation in Poland is deteriorating. They have tried to present it as moderating. It isn't. The people are still imprisoned. There is no communication with Solidarity or between the military government and the people, and the military law is still in effect. We think, however, that there has been an impression made, and we have held back on some things additionally that we can do, things that we will consider that can add to the steps that we've already taken.

I've had a lengthy communication from the Pope. He approves what we have done so far; he believes that it has been beneficial. And yet, we're not going to wait forever for improvement in the situation there. We have other steps that we can take.

Yeah, Bruce [Bruce Drake, New York Daily News]?

The Middle East

Q. Mr. President, now that Secretary Haig is back from the Mideast, do you know of any new, concrete grounds for optimism about reaching an agreement on the Palestinian autonomy issue? And do you regard as crucial reaching some sort of agreement before April, when the Israelis are scheduled to complete the withdrawal from the Sinai?

The President. Well, there's no question about that being the toughest problem in a

Middle East settlement. We won't set a deadline of any kind on when that must be decided. The Secretary has been on a fact-finding trip and will be there again, although no date has been set for that.

We want to help if we can, if we can come up with some ideas that might be helpful in the automomy talks. That is the next step under the Camp David process. And so, as I say, we won't set a deadline, but we're most hopeful that we can be of help and that they will at least by the Sinai time get down to, let's say, a kind of a plan for proceeding.

Sam [Sam Donaldson, ABC News]?

Educational Tax Exemptions

Q. Mr. President, on January 8th the Justice Department announced the decision concerning tax-exempt status for certain schools that clearly gave aid and comfort to racial discrimination. Then in subsequent days you began a series of steps to sort of go back from that. My question is: What happened? Are you responsible for the original decision, or did your staff put something over on you?

The President. Sam—[*laughing*]—no one put anything over on me.

No, Sam, the buck stops at my desk. I'm the originator of the whole thing, and I'm not going to deny that it wasn't handled as well as it could be. But I think that what we actually saw was confusion—and it was rather widespread and encouraged—about what—we had not anticipated the reaction, because we were dealing with a procedural matter. And it was interpreted by many of you as a policy matter, reflecting a change in policy, and then therefore when we went forward, you said, well, then this was another change-back in policy.

What we were trying to correct was a procedure that we thought had no basis in law, that the Internal Revenue Service had actually formed a social law and was enforcing that social law. And we think that that's a bad precedent and is a bad thing to do, and so, there was no basis in the law for what they were doing. So, what we set out to do was to change that procedure and stop the Internal Revenue Service from doing this and then to have Congress implement with law the proper procedure.

I am opposed with every fiber of my being to discrimination, and to have set in law the fact that tax exemptions could be denied to schools that—and educational institutions that practiced discrimination. Now, as I say, it probably wasn't handled as well as it could, because, it being in our minds a procedural matter—and in my mind, certainly—we didn't anticipate that it was going to be as misinterpreted as it was. And what we have accomplished with what we did was we've prevented the IRS from determining national social policy all by itself. It'll now be by elected officials, the Congress.

We'll continue to prohibit tax exemptions for schools that discriminate and for the first time that will be the law of the land. And we help to reserve the rights and liberties of religious schools as long as they don't discriminate.

Q. But, sir, if I may, in the original January 8th decision you didn't ask for legislation. You simply said unless Congress acted. It wasn't until the firestorm that you then asked for legislation.

The President. No, because we went right ahead, and I was having talks with Senators about this. Maybe we didn't act as quickly as we could have. And, as I say, I'm not defending that we proceeded on a course that was as well planned as it might have been.

So, we were mistaken in that regard. But don't judge us by our mistakes. I'm probably going to make more of them. But judge us—how well we recover and solve the situation.

Classified Information

Q. Mr. President, a few days ago Mr. Clark, your new national security adviser, issued a series of guidelines for contact with the press by officials of your administration where classified information is to be discussed. Two questions, sir.

First of all, will it be your policy to advocate the use of all legal means, including lie detectors, to determine who is leaking classified information, if classified information is leaked? And second, do you think it will be possible for administration officials to conduct the normal discourse of briefings with reporters when nearly everything pertaining to foreign affairs is classified to some degree or other?

The President. What we're doing is simply abiding by the existing law. It is against the law to—for those who are not authorized to declassify—to release classified information. And I know that I've been told repeatedly that what is happening is nothing new, that it's been done under administrations. But I do think that it reached a new high here of the leaks that were destructive to the foreign policy we were trying to conduct, that endangered delicate negotiations that were going on. And all we're doing is implementing the law. It is against the law for anyone to release this information.

We need to protect national security and our ability to conduct foreign policy. And as to any specifics, Bill Clark is drawing up some specifics of that kind. But they will all be within the law. And they'll have to be judged, what particular things are done will be judged on the individual case. It will not interfere with our determination to have an open administration present information that properly belongs to the press.

But we must stop that leak which, as I say, several times has really endangered things that we were trying to accomplish. And we're not doing anything that, as I say, is not in the law today, and we will certainly protect the constitutional rights of our citizens.

Q. Sir, if I may follow up, would you advocate the use of lie detectors, as a Pentagon official has in another similar case? And would you care to give us any of the specifics where the release of that information gave you difficulty with national policy?

The President. Well, the trouble is, if I try to give you specifics on that, then *I'm* leaking, and——

Q. You're entitled.

The President. No—[*laughing*]—because I think that any one of you could see the situation in which you are dealing on a very sensitive matter with someone, and suddenly those people you're dealing with read something in the paper that enrages them. And you're put in the position of trying to say, "It isn't so. Please believe us." And this has happened on a number of occasions.

Q. Lie detectors?

The President. Jerry [Gerald M. Boyd, St. Louis Post-Dispatch]? No, Jerry—and then I'll get to you.

Concerns of Blacks

Q. Mr. President, to follow up on Sam's question, the tax-exempt issue is just one of a series that some blacks are saying, series of incidents that some blacks say point to the fact that you are ignoring the interests and concerns of blacks. How do you respond to that?

The President. I respond to it with the simple answer that it isn't true. And I know that there are some leaders in various organizations and so forth who have said things of this kind. But I am for affirmative action; I am against quotas. I have lived long enough to know a time in this country when quotas were used to discriminate, not end discrimination.

I have already explained myself with regard to the discrimination in education, and I think that my record will stand for itself, if anyone wants to look at it, that I have been on the side of opposition to bigotry and discrimination and prejudice—and long before it ever became a kind of national issue under the title of civil rights. And my life has been spent on that side.

Q. To follow up, Mr. President, black unemployment, for example, was 12.4 percent when you took office. It's now 17 percent. What do you tell blacks in terms of what you plan to do to deal with the problem?

The President. Well, one of the things that's needed, I think, was illustrated in the local paper on Sunday. I made it a point to count the pages of help wanted ads in this time of great unemployment. There were 24 full pages of classified ads of employers looking for employees. What we need is to make more people qualified to go and apply for those jobs, and we're going to do everything we can in that regard.

Admiral Hyman G. Rickover

Q. Mr. President, we hear reports that Admiral Rickover vented his tubes of a bit of radioactive steam the other day—[*laughter*]—when he met with you in the White House. Can you tell us, sir, whether he has rejected your offer for him to be the White

House nuclear power adviser and whether he's rejected the Navy's offer for him to stay on beyond January 31st in the transition period for his successor?

The President. Well, I don't know about the latter. He's not interested in being just a White House adviser, and I do know that the naval offer was one in which they truly believed that he had great service to still render—in that he would have an office—the Secretary of Navy and staff, and that he would be there where he could make a great contribution.

Now, I don't know what his decision has been on that. I would hope that he would accept that, because he could be of service to his country, although I know this: If he doesn't want to serve, it would be difficult to impose on him, because that's been a long lifetime of sterling service to this nation.

Q. But he has said no to you, though. Is that correct?

The President. What?

Q. He has turned down the White House job?

The President. Yes, he explained to me—and I could understand that—that that didn't sound very much like what he'd be interested in.

Yes, ma'am.

Abortion

Q. Mr. President, as you know, this Congress has attached the most restrictive anti-abortion language to the Health and Human Services money bill. It would ban all abortions for low-income women except if the mother's life would be endangered by completing the pregnancy, and it would make no exceptions for rape or incest. My question to you is—and I would like to have a followup—if one of your daughters were unfortunate enough to be raped and become pregnant as a result, would you agree with this law that she should be forced to carry that pregnancy to term?

The President. I have been one who believes that abortion is the taking of a human life. And I know the difficulty of the question that you ask. I also do know that—because I won't answer it in that personal term—but I do know that I once approved the law in California that allowed that as a justification in the line of self-defense, just as a mother has a right, in my view, to protect her own life at the expense of the life of the unborn child. I am very concerned, because I have found out since, that that was used as a gigantic loophole in the law, and it was just—it literally led to abortion on demand on the plea of rape.

Now, I wish I could have a solid answer for you. On that basis, I would be hesitant to approve abortion on that basis. So——

Q. May I ask you something on a related point, sir? There is pending in the Senate a constitutional amendment sponsored by Senator Hatch that would permit Congress and any State to ban abortions for all women, rich or poor. When Senator Hatch opened his hearings on that he said that his religion prompted him to support that amendment, and at the same time, as you know, there are many other religious faiths who consider it an invasion of privacy.

Also, in view of that divisiveness and in view of the fact that the public opinion polls show that most Americans favor freedom of choice on abortion, have you given this any second thought or rethought your position at all?

The President. I can't say that I have really looked at or studied this particular proposal. I can just say to you that following up on the hearings that were held on the Hill as to when life begins, I think that everyone has overlooked the real finding. The fact that they could not resolve the issue of when life begins was a finding in and of itself. If we don't know, then shouldn't we morally opt on the side that it is life?

If you came upon an immobile body and you yourself could not determine whether it was dead or alive, I think that you would decide to consider it alive until somebody could prove it was dead. You wouldn't get a shovel and start covering it up. And I think we should do the same thing with regard to abortion.

Richard V. Allen

Q. Mr. President, why was it necessary to dismiss Richard Allen and restructure the foreign policy operation at the White House when the Justice Department cleared Mr.

Allen, and two press conferences ago you told us that the foreign policy apparatus here was operating just fine?

The President. The changes that have been made with regard to the operation method were already under consideration. We did not dismiss Richard Allen, and I think he himself knew that it would be difficult for him after all that had happened. But he's still a part of the administration. He continues right now helping us—we're restoring PFIAB. I use the Washington custom of putting the initials together in a name, because it's difficult for me to always remember that that means the Presidential Foreign Intelligence Advisory Board, which I think was a very valu—I got it right——

Q. Right.

The President. ——a very valuable thing that was discontinued a few years ago. We're restoring that. We have appointed the Board and have a Chairman, and he is serving as a consultant at this point, which does not mean that that's all that he is going to do.

But he is a part of the administration. And I know that he was cleared and regret the whole thing that took place.

Judy [Judy Woodruff, NBC News]?

Federalism

Q. Mr. President, how concerned are you that any move you make to turn over control to the States of such things as welfare and education may result in some inequality for the people who live in those States?

The President. I don't really believe it will, because I was a Governor of one; I know how well States can operate. There might have been a time in our history when there were things in States that varied to a great extent, but then people moved from those States if they were unhappy with the way government was working. That's one of the great secrets of our freedom—is that we're a federation of sovereign States.

I am convinced that—well, for one thing that was lacking in those early days was a lack on the part of the Federal Government. It is where constitutional rights are concerned. I believe in many of the things the Federal Government has usurped in the last half century—and is now doing—that they could be better run at the State level. But I also believe that the Federal Government has an obligation to enforce the constitutional rights of even the least individual among us, wherever he may be, if those rights are being denied, and to do so at the point of bayonet if necessary.

Q. Mr. President, to follow up, what about the people who can't afford to physically move from one State to another? And also, what do you say to the Governors who are going to be receiving perhaps less revenue than they are currently being given.

The President. We're hoping they're not going to be receiving less revenue. What has happened—and from my own experience of having to deal with programs that were mandated by the Federal Government and with help from Federal funds—most of those programs are not totally federally funded, they're a combination—but we found that the restrictions imposed by the Federal Government, the redtape, the administrative overhead was such that had we had more leeway, more freedom, we could have given better service to the people we were trying to help at a much lower cost.

It's like the one incident that I spoke of in New York the other day in my remarks of a county with an elderly citizens' warm food program. And they were spending 50-some thousand dollars, and only $3,000 of that was going for food; the $50,000 was going for administrative help. They're now doing it with volunteers. They're spending $6,000 in food, feeding twice as many people, and it only costs $6,000, not 50-some thousand.

Q. What about the people who can't afford to move, though, from one State to another?

The President. Well, if their constitutional rights are being violated, then we have a duty, the Federal Government, to go in and see that they aren't violated.

Capital Investment

Q. A major goal of your economic program was to stimulate capital investment, and yet the Commerce Department now reports that capital investment will be down this year. Why do you think that businesses have failed to respond to the incentives that you provided, and how will that affect your program in the future?

The President. I don't think they have failed. I know that a great many industries have the plans already for modernization and expansion. I think there's a little caution at work, and perhaps part of that is waiting to see what the Federal Reserve System is doing, because there's been an upsurge, for example, in the money supply just recently, which sends, I think, the wrong signal to the money markets. In other words, they want to be more sure that interest rates and inflation are going to continue coming down as they have been.

And I know that the entire steel industry has a multibillion-dollar expansion plan, and they have personally informed me that they are ready to go forward with this plan. And I think we're just seeing a little caution; they want to make sure before they proceed with them. But it's in a number of other industries that the plans are there, ready to go and be implemented.

Paul A. Volcker

Q. If I may follow up. If you are concerned about the Fed's handling of the money supply, would you agree with those people on Capitol Hill who have called for Mr. Volcker's resignation?

The President. Well, I can't respond to that, because the Federal Reserve System is autonomous. The employees—or the members of that commission are term appointees. They're not serving at anyone's pleasure. And I just—there's no way that I can comment on that.

Classified Information

Q. Mr. President, I'd like to go back to a question that Bill Plante [CBS News] asked. He asked if you endorsed the use of lie detectors on members of the administration to determine if they had leaked stories. Do you think the use of lie detectors is a good idea in that case?

The President. I have to say that any of those things—to answer that, that has to be the specific case. Now, I know in one agency in the Government right now, a major agency, there are some people voluntarily taking these, because they themselves knew that they had association with and knowledge of a tremendous leak that occurred. But all of those—I'm awaiting the plan that Bill Clark comes up with—but I think any of the things that are prescribed by law are there for a reason, and it will depend on the individual case.

Relations With News Media

Q. In addition, Mr. President, there's a recent White House directive that goes well beyond protecting national security secrets—which I think we can all understand it's important to be able to respect those. That's a directive that requires administration officials to clear interviews with the press and with TV and major print interviews with the White House before they accept them. And I'm wondering if you're at all concerned that that gives the perception of you having a closed administration or if you think this directive might have a chilling effect on reporters' efforts to gather the news?

The President. No, I don't believe so. All we're doing is what every administration before us has done and we hadn't been doing. It's simply a case so that we all know what is going on. And, also, we've seen the situation when it would have been very, I think, educational for the people and advantageous for us if two or three particular issues could have been brought before the public; and because of not checking with each other, we found three separate departments all going at once with their statements.

So, it gives us the opportunity to make sure that all of us are familiar with where they're going or, if we have something that we think would be additional on what they're going to talk about from their department, that we can see they get that.

Defense Policy

Q. Mr. President, we know that in the next few months you're going to be very interested in having more money for defense spending, and I wonder if you could explain philosophically the basic cause of this. Is it to be able to deter Soviet aggression or as a negotiating technique with the Soviet Union? And is there a concern that weapons produced may eventually be weapons used?

The President. I hope and pray with all my might that the weapons won't be used. I also happen to believe that that is the purpose. If military defense is well done, it doesn't have to be used. And we've never gotten in a war because we were too strong. But the purpose of this military program, we're engaged in rebuilding something that was allowed to deteriorate very badly over recent years. We are way behind where we should be now. Our economic problem, regard to budgets and all, would be minimal today if we were simply carrying on with a defense establishment that had been properly maintained.

I might also point out that with all the argument and concern over that in these times of economic stress, that we're spending a smaller percentage of the gross national product on the military than has been spent in many, many years past in peacetime.

But the purpose is if we're to sit down with the enemy—potential enemy and talk arms reductions, which we're doing right now, we're going to be far more successful if that adversary knows that the alternative is a buildup to a commensurate level with him on our side.

So, up until now, in previous negotiations they haven't had to make any concession, because we were unilaterally disarming. But now I think it's all explained in a cartoon that one of your publications used some time ago, and that was Brezhnev speaking to a general in his own army, and he said, "I liked the arms race better when we were the only ones in it."

Ms. Thomas. Thank you, Mr. President.

The President. Oh, I just—Helen, did you—I think Mary [Mary McGrory, Washington Post] got up before you did, Helen, so I'll take her question.

Ms. Thomas. Mary beat me to the——

Private Charitable Contributions

Ms. McGrory. Mr. President, in New York last week, you called upon the rich to help the poor in this present economic difficulty. Are you planning to increase your own contributions to private charity to set an example to the rich people of this country to do more for the poor?

The President. Mary—[*laughter*]——

Ms. Thomas. Now are you sorry? [*Laughter*]

The President. Helen, I just want you to know whenever you speak from now on, I'm shutting up and moving. [*Laughter*]

No, Mary, I'll tell you, you give me a chance to explain something that's been of great concern to me. I realize the publicity that is attended upon the tax returns of someone in my position. And I realize that some have noticed what seemed to be a small percentage of deductions for worthwhile causes, and that is true. And I'm afraid it will be true this year, because I haven't changed my habits. But I also happen to be someone who believes in tithing—the giving of a tenth. But I have for a number of years done some of that giving in ways that are not tax deductible with regard to individuals that are being helped.

And I'm afraid that to avoid future questions of this kind, maybe beginning this year, I'm going to have to start publicly doing some things. But my conscience is clear as to what I have been giving. And it has been for the reason that I've just told you, that the tax law doesn't say you help people, not organizations, that you can—or not by way of an organization—that you can deduct it.

So, you can be watching. It'll be the same situation this year. Next year, I'll try to be more public with what I'm doing.

Ms. Thomas. Thank you, Mr. President.

The President. I have to go now. Thank you.

Note: The President's seventh news conference began at 2 p.m. in the East Room at the White House. It was broadcast live on nationwide radio and television.

Proclamation 4891—Solidarity Day
January 20, 1982

By the President of the United States of America

A Proclamation

Solidarnosc, the Polish free trade union Solidarity Movement, was born not only of the failure of the Polish Government to meet the needs of its people but also from a tradition of freedom preserved and nourished by the proud Polish people through two centuries of foreign and domestic tyranny.

Solidarity symbolizes the battle of real workers in a so-called workers' state to sustain the fundamental human and economic rights they began to win in Gdansk in 1980—the right to work and reap the fruits of one's labor, the right to assemble, the right to strike, and the right to freedom of expression. Solidarity sought to address and to resolve Poland's deep-rooted economic ills; it acted in good faith and pursued a path of constructive dialogue with the Polish Government.

Despite these peaceful efforts on the part of Solidarity, a brutal wave of repression has descended on Poland. The imposition of martial law has stripped away all vestiges of newborn freedom. Authorities have resorted to arbitrary detentions, and the use of force, resulting in violence and loss of life; the free flow of people, ideas and information has been suppressed; the human rights clock in Poland has been turned back more than 30 years. The target of this repression is the Solidarity Movement but in attacking Solidarity its enemies attack an entire people. Ten million of Poland's thirty-six million citizens are members of Solidarity. Taken together with their families, they account for the overwhelming majority of the Polish nation. By persecuting Solidarity, the Polish military government wages war against its own people.

History shows us that stability in Europe is threatened when Poland is suppressed. The hearts and minds of free people everywhere stand in Solidarity with the people of Poland in the hour of their suffering.

We hold in high esteem the leadership and objectives of Lech Walesa, the head of Solidarity, and we express our grave concern for his present well-being. As Americans we feel a special affinity with Solidarity and the basic human values it seeks to uphold, in keeping with the long tradition of Polish-American friendship and freedom. President Wilson's advocacy of self-determination for the Polish people helped to bring about a rebirth of the Polish nation earlier in this century. America stands ready today to provide generous support and assistance to a Poland which has returned to a path of genuine internal reconciliation.

There is a spirit of Solidarity abroad in the world today that no physical force can crush. It crosses national boundaries and enters into the hearts of men and women everywhere. In factories, farms and schools, in cities and towns around the globe, we the people of the Free World stand as one with our Polish brothers and sisters. Their cause is ours.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate January 30, 1982, as Solidarity Day. I urge the people of the United States, and free peoples everywhere, to observe this day in meetings, demonstrations, rallies, worship services and all other appropriate expressions of support. We will show our Solidarity with the courageous people of Poland and call for an end to their repression, the release of all those arbitrarily detained, the restoration of the internationally recognized rights of the Polish people, and the resumption of internal dialogue and reconciliation in keeping with fundamental human rights.

In Witness Whereof, I have hereunto set my hand this twentieth day of January, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 11:42 a.m., January 20, 1982]

Remarks to the Reagan Administration Executive Forum
January 20, 1982

Thank you very much. For heaven's sake, you're on your own time now. [*Laughter*]

I thank you very much, except I feel a little bit like the last living survivor of the Johnstown flood who finally came to the end of his days, and Saint Peter greeted him as a newcomer and told him that there were some oldtimers there that would like to gather and hear the latest word from Earth, and did he have anything interesting to contribute. And he told him that he'd been quite a feature on the luncheon circuit, the mashed potato circuit, with his tales of the Johnstown flood. "Oh," he said, "I know they'll like that." He brought him in, introduced him, said he has something very interesting to say. And then just as he turned to leave, he whispered in the fellow's ear, "That man second from the left in the front row—his name is Noah." [*Laughter*]

I think everything must have been said here that should have been said. But I have been looking forward to this meeting with all you bureaucrats. [*Laughter*] We're going to make that word respectable. [*Laughter*]

We in this room share a special bond. We came to Washington not to get a job, but to do a job—to get this great nation of ours back on track after too many years of misdirection and mismanagement. We came here under the banner of "A New Beginning," and we've made a new beginning for our country and the people we serve. But as the poet Longfellow pointed out, great as the art of beginning is, the art of ending is even greater. We still have a long way to go, a lot to do before we can achieve all that we hope for the America of today and the America we'll pass on to our children.

One year ago, on a clear, crisp January day just about like this one—except for the snow—I took the oath of office and delivered my first address as President of the American people. And in it I said that the ". . . ills we suffer have come upon us over several decades. They will not go away in days, weeks, or months; but they will go away. They will go away because we as Americans have the capacity now, as we've had in the past, to do whatever needs to be done to preserve this last and greatest bastion of freedom."

Well, I'm glad to see that this quote was chosen as the motto for today's program, because I believe it sums up not only the resolve of each of us in this room but also the basic faith and commitment of the American people. And after all, what are we but their trustees—the pledged guardians of their values, their beliefs, and their aspirations. No one has succeeded in putting it better than Henry Clay, who said that "Government is a trust, and the officers of the government are trustees; and both the trust and the trustees are created for the benefit of the people."

Unfortunately, in growing too big and greedy for power, the Federal Government in the recent past lost sight of this vital point. It's up to us to redress the balance. It's up to us to begin the long, hard process of making government once more the servant rather than the master of a proud and independent people.

I think we can proudly say we've made an impressive start. In this first year of our trusteeship, we've built a competent, dedicated executive team. We've laid the foundation for economic recovery and national renewal. We have begun to cut back the runaway growth in big government spending and regulation. And you've just heard about the changes in regulation, thanks to the task force that the Vice President heads up.

Inflation and interest rates are down. A program that will mean more jobs and more opportunity for all Americans is now in place. And we've begun to restore confidence in America at home and respect for America abroad.

We had promised to do all these things. And thanks to the outstanding efforts of the team represented here today by all of you, we have kept these promises. Thanks to the job that all of you have done in your agencies and departments, only 1 year into this administration, as you've already been told, we have kept in this first year, two-thirds of the promises that were made. I think Jim Baker told you it was 104. And we're on our way to keeping the rest of them.

This booklet—I know you were frightened; you thought maybe I was going to read it. [*Laughter*] This booklet—many of you will see copies of this—it refers to those promises that we made. It's a sort of catalog of our track record, and it's called, "Promises: A Progress Report on the President's First Year." [1] It's not as thick as the *Federal Register*, even though we've reduced that, thanks to George, by 23,000 pages in just 1 year. But it is an impressive list of achievements, and this administration couldn't have made them without the faith, commitment, and hard work of every man and woman who is here today.

We also couldn't have made them without the sustained support of the American people, the people we serve as trustees. I'm sure that all of you were heartened, as I was, by the latest New York Times/CBS poll. It showed an overwhelming 60 percent majority of the people believe that our program for economic recovery will benefit the Nation, will build a stronger, more prosperous America. The American people haven't been led astray by the peddlers of pessimism and despair. They understand that the damage of decades of waste, mismanagement, inflation, and economic decay will not vanish overnight. And I suspect they've also noticed that quite a few of the people shedding crocodile tears over our current economic plight and taking potshots at our recovery program are the very people who led us into this swamp in the first place.

Speaking of swamps, I want to urge you all not to get bogged down in Potomac fever. Don't let the Washington whirl or the Washington morass let you lose sight of why we came here and what it is that we're all trying to do. I know it isn't always easy. As the old saying goes, "When you're up to your armpits in alligators, it's sometimes hard to remember that your original intention was to drain the swamp." [*Laughter*]

That's not why you're here and I'm here. We're here to cut back on waste and mismanagement; to eliminate unnecessary, restrictive regulations that make it harder for the American economy to compete and harder for American workers to find jobs; to drain the swamp of overtaxation, overregulation, and runaway inflation that has dangerously eroded our free way of life.

And I mention that term "jobs." Last night on the news, I was distressed to hear that I had misstated in yesterday's press conference the fact of unemployment in 1980 as it was in 1981. And figures were read that on December of 1980 there were more people employed than there were in December of 1981. But that isn't the way you use the figures. The truth is that in the year of 1980 there were 97,270,000 people employed in the United States. In the year of 1981 there were 98,318,000, which is, 148,000 [1,043,000] [2] more in 1981 were working than worked in 1980.

You don't know how much I enjoyed saying that. Some days are much more fun in this job than others. [*Laughter*]

But I believe that our first year of trusteeship has demonstrated our good faith to the people we serve. It was their faith, in turn, their support and confidence, that got the recovery program through the Congress. It's their support and confidence that will see the program through to success. In the meantime, it's up to each of us through our conduct and commitment to continue to justify their confidence in us as their trustees. I believe we can; I believe we will.

The evidence keeps cropping up in the most surprising places. Sometimes the most convincing endorsements come from the competition. Just last week on a visit to the Department of Transportation, Drew Lewis told me that he'd been deeply impressed by something said to him by a ranking majority member of the House of Representatives, a man who's not exactly a leading member of a fan club for me. I won't mention any names—it might get him into hot water with Tip O'Neill. [*Laughter*] But this veteran Congressman said to Drew Lewis, "It was nice to finally have leadership in the White House that actually did in office what it said it was going to do when running for office."

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[1] *The 59-page booklet, entitled "Promises: A Progress Report on President Reagan's First Year," is a special report published by the Research Division of the Republican National Committee.*

[2] *White House correction.*

I take that as the supreme compliment, coming from the other side of the aisle, but I don't take it as a personal compliment. It's a compliment to an administration team, government-wide, that has put principle first, a team that came to Washington to serve America rather than serve itself. I take it as justification for the pride I feel in your talent and commitment as individuals and as dedicated team players.

But any coach worth his salt knows that it's not the season that just ended that counts; it's the season that's just beginning. As a team we're about to launch our second season, and it's going to be a tough one. To keep our recovery program working, to get an ailing America back on its feet and running again will take a massive team effort. Each of you in your departments and agencies will have to work even harder to root out waste, fraud, and mismanagement. You'll have to work harder to see that every tax dollar that is spent is spent wisely and well. And each of you must use every fiber of your experience and imagination to come up with better, more efficient ways of getting the necessary work of government done.

There may have been a time when America could afford to let things slide, a time when second best would do, but if there ever was a such a time, it's long since past. Today and throughout the year ahead, only our best will be good enough.

Great results have never been achieved without great effort. What we've undertaken is nothing less than the rebirth of a nation, the revival of the independence, vitality, and resourcefulness that tamed a savage wilderness and converted 13 small, struggling colonies into what Abraham Lincoln called "the last, best hope of Earth."

Lincoln also reminded us that "we cannot escape history." In his second annual message to the Congress 120 years ago, he issued a warning that still holds true. "We of this Congress and this administration will be remembered in spite of ourselves," he said. The "trial through which we pass will light us down, in honor or dishonor, to the last generation."

In this second year of our administration, America and American leadership again face many tests. At stake in Lincoln's day was the survival of the American Nation; at stake today is its revival—assuring that the nation and ideals that Lincoln saved, and each subsequent generation of Americans has worked to preseve, will take on fresh life and hope for those who come after us.

This is an exciting time to be alive, an exciting time to be in Washington, a time of both challenge and reaffirmation. Each of us has been put here for a purpose. We must redress past errors, errors that have already cost the people we serve far too much in economic stagnation, joblesssness, crippling taxes, and inflation. It isn't going to be easy; nothing really worth achieving ever is. But this is an optimistic nation, and I am optimistic. If I wasn't I'd never have left the ranch to come here in the first place. [*Laughter*]

Now, you know there's a simple definition for an optimist and a pessimist. An optimist asks, "Will you please pass the cream?" A pessimist says, "Is there any milk in that pitcher?" [*Laughter*]

But there's a story that maybe some of you know, and I just can't resist at this point telling it, because it has to do with the definition of optimism. A man had two sons, and he was very disturbed about them. One was a pessimist beyond recall, and the other one was an optimist beyond reason. He talked to a child psychiatrist who made a suggestion. He said, "I think we can fix that." He said, "We'll get a room and we'll fill it with the most wonderful toys any boy ever had." "And," he said, "we'll put the pessimist in and when he finds out they're for him, he'll get over being a pessimist."

His father said, "What will you do about the optimist?" "Well," he said, "I have a friend who's got a racing stable and they clean out the stalls every morning." "And," he said, "I can get quite an amount of that substance." [*Laughter*] And he said, "We'll put that in another room, and when the optimist who's seen his brother get all those toys is then shown into that room and that's there, he'll get over being an optimist."

Well, they did, and they waited about 5 minutes. And then they opened the door, and the pessimist was sitting there crying as if his heart would break. He said, "I know somebody's going to come in and take these away from me." [*Laughter*]

Then they went down to the other room and they opened the door and there was the kid happy as a clam, throwing that stuff over his shoulders as fast as he could. And they said, "What are you doing?" And he says, "There's got to be a pony in here somewhere." [*Laughter*]

But I'm confident that if we all do our best today and in the months ahead, we can turn things around. There is a pony in here. [*Laughter*]

We can make today's government and today's America a model for generations to come. That is our trust. That's why we're here. And that's why I want to thank each one of you today, and from the bottom of my heart, for all that you've done and all that you're doing to make America great again. I'm counting on you and, what's more important, so are the American people.

God bless you all. Thank you.

Note: The President spoke at 12:05 p.m. at the Departmental Auditorium in the Commerce Department complex.

Executive Order 12340—Amendments to the Manual for Courts-Martial, United States, 1969 (Revised Edition)

January 20, 1982

By the authority vested in me as President by the Constitution of the United States and by Chapter 47 of Title 10 of the United States Code (the Uniform Code of Military Justice), in order to prescribe amendments to the Manual for Courts-Martial, United States, 1969 (Revised edition), prescribed by Executive Order No. 11476, as amended by Executive Order No. 11835, Executive Order No. 12018, Executive Order No. 12198, Executive Order No. 12233, Executive Order No. 12306, and Executive Order No. 12315, it is hereby ordered as follows:

Section 1. The fourth sentence of the second paragraph of paragraph 6*b* of the Manual for Courts-Martial, United States, 1969 (Revised edition) is amended by inserting the word "duty" before the word "list".

Sec. 2. Paragraph 18*b*(3) of the said Manual for Courts-Martial is amended to read as follows:

"(3) No person while being held for trial may be subjected to punishment or penalty other than restraint upon the charges pending against him, nor shall the restraint imposed upon him be any more rigorous than the circumstances require to ensure his presence, but he may be subjected to minor punishment during that period for infractions of discipline (*see* Article 13). Minor punishment for violation of the disciplinary rules of the place of confinement may be imposed under regulations prescribed by the Secretary concerned. *See* 68*g* concerning the effect of punishments for minor offenses upon subsequent courts-martial. Prisoners being held for trial shall not be required to undergo punitive duty hours or training, perform punitive labor, or wear special uniforms prescribed only for post-trial prisoners. Prisoners shall be afforded facilities, treatment, and training under regulations prescribed by the Secretary concerned.".

Sec. 3. Paragraph 34*c* of the said Manual for Courts-Martial is amended to read as follows:

"*c. Counsel.* (1) *For the accused.* Counsel certified under Article 27(b) will be detailed to represent the accused at the investigation. The accused has the right to be represented at an Article 32 investigation by civilian counsel if provided by him, and either by the military counsel detailed under Article 32(b) or military counsel of his own selection if that counsel is reasonably available. *See* paragraphs 46*d* and 48*b* concerning availability of persons requested as individual military counsel, the effect of such request on the duties of the detailed defense counsel, and the procedures for acting on such requests. The investigating officer will not review any denial of a request for individual military counsel.

"The investigation should be conducted promptly (*see* Art. 33 and paragraph 30*i*), while the events are fresh in the minds of witnesses. The investigation will not proceed in the absence of counsel unless the accused expressly waives counsel's presence. An investigation will not be delayed if the accused is unable to obtain civilian counsel provided by him within a reasonable time after having been given an opportunity to obtain that counsel.

"(2) *For the government.* The government may be represented at the investigation by counsel designated by the officer who directed the investigation.".

Sec. 4. The second paragraph of paragraph 46*d* of the said Manual for Courts-Martial is amended to read as follows:

"When charges are referred to a court for trial, the defense counsel will inform the accused immediately that he has been detailed to defend him at the trial, explain his general duties, and advise him of his right to select individual counsel, civilian or military, of his own choice pursuant to Article 38(b) and the effect of such a request. If the accused expresses a desire to be represented by individual military counsel, the defense counsel will immediately report the fact to the convening authority, through the trial counsel. Unless the accused otherwise desires, the defense counsel will undertake the immediate preparation of the defense without waiting for the detail or retention of any individual counsel. If the accused is represented by military counsel of his own selection, detailed defense counsel normally shall be excused. The convening authority, in his sole discretion, may approve a request from the accused that detailed defense counsel act as associate counsel. Such requests shall be considered in light of the general statutory policy that the accused is not entitled to be represented by more than one military counsel. Article 38(b)(6). Among the factors that may be considered in the exercise of discretion are the seriousness of the case, retention of civilian defense counsel, complexity of legal or factual issues, and the detail of additional trial counsel. The action of the convening authority on such a request is subject to review only for abuse of discretion. The military judge may not dismiss the charges or otherwise effectively prevent further proceedings based on this issue. However, the military judge may grant reasonable continuances pending action on the request for associate counsel. If the request for assignment of detailed defense counsel as associate counsel is denied, and if the accused so requests, the military judge shall ensure that a record of that matter is included in the record of trial, and may make findings as to any disputed facts. The trial counsel may request a continuance to inform the convening authority of these findings.".

Sec. 5. The first paragraph of paragraph 48*a* of the said Manual for Courts-Martial is amended to read as follows:

"*See* Article 38(b). The accused has the right to be represented in his defense before a general or special court-martial by civilian counsel if provided by him, and either by the military counsel detailed under Article 27 or military counsel of his own selection if reasonably available. The accused is not entitled to be represented by more than one military counsel. The convening authority, in his sole discretion, may detail associate defense counsel. *See* paragraphs 46*d* and 47. If the accused is represented by civilian counsel, military counsel provided under Article 38(b) shall act as associate counsel unless excused at the request of the accused. Civilian counsel will not be provided at the expense of the United States.".

Sec. 6. Paragraph 48*b* of the said Manual for Courts-Martial is amended to read as follows:

"48*b*. Individual Military Counsel

"(1) *General. See* Article 38(b). The accused may request individual military counsel of his own selection and be represented by such counsel if reasonably available. Subject to the limitations in subparagraph (2), the Secretary concerned will define "reasonably available." Subject to the general guidance in subparagraph (3), the Secretary concerned will establish the procedure for determining whether a requested person is "reasonably available" to act as individual military counsel.

"(2) *Persons not "reasonably available."* While so assigned, the following persons are unavailable to serve as individual military counsel because of the nature of their duties or positions: a flag or general officer; a trial or appellate military judge; a trial counsel; an appellate defense or government counsel; a principal legal advisor to a command, organization, or agency and his principal assistant; an instructor or student at a service school or academy; a student at a college or university; or a member of the staff of the Judge Advocate General of the Army, Navy, or Air Force, the Chief Counsel of the Coast Guard, or the Director, Judge Advocate Division, Headquarters, Marine Corps. These are in addition to any persons the Secretary concerned may determine to be unavailable to act as individual military counsel because of the nature or responsibilities of their assignments, geographic considerations, exigent circumstances, or military necessity. Further, persons from an armed force different from that of the accused are unavailable to serve as individual military counsel unless they are located within 100 miles of where the general or special court-martial or Article 32 investigation is to be held and they are not otherwise unavailable. Under circumstances prescribed by the Secretary concerned, exceptions may be made to the foregoing prohibitions when merited by the existence of an attorney-client relationship between the accused and the requested counsel regarding matters relating to a charge in question. However, if the attorney-client relationship arose solely because the counsel represented the accused on review under Article 70, this exception does not apply.

"(3) *Procedure.* The request for an individual military counsel should be made by the accused or his detailed defense counsel to the convening authority, through the trial counsel. If the person is among those listed as unavailable under subparagraph (2) or under regulations of the Secretary concerned, the convening authority shall notify the accused that the request is denied, unless the request asserts that there is an existing attorney-client relationship regarding a charge in question or that the person requested will not, at the time of trial, be among those so listed as unavailable. If the accused's request makes such a claim, or if the person requested is not among those listed as unavailable under subparagraph (2) or under regulations of the Secretary concerned, the convening authority shall forward the request to the commanding officer or head of the organization, activity, or agency to which the person requested is assigned. That authority will make an administrative determination as to the availability of the requested person in accordance with the procedure established by the Secretary concerned. This determination is a matter within the sole discretion of that authority. An adverse determination may be appealed by the accused through that authority to the next higher commanding officer or level of supervision, but appeals may not be made which require action at the departmental or higher level.

"(4) *Judicial review of a denial of request.* If a request for a person to act as individual military counsel is denied, which denial is upheld upon administrative appeal (if available under paragraph 48*b*(3)) in command channels, and if the accused so requests, the military judge shall ensure that a record of that matter is included in the record of trial, and may make findings as to any disputed facts. The trial counsel may request a continuance to inform the convening authority of those findings. The military judge may not dismiss the charges or otherwise effectively prevent further proceedings based on this issue. However, the military judge may grant reasonable continuances until the requested military counsel can be made available if the unavailability results from temporary conditions or if the decision of nonavailability is in the process of review in command channels.".

Sec. 7. Paragraph 61*f*(3) of the said Manual for Courts-Martial is amended by deleting the last sentence thereof.

Sec. 8. Paragraph 100*c*(1)(a) of the said

Manual for Courts-Martial is amended to read as follows:

"(a) If the sentence, as affirmed by the Court of Military Review, extends to dismissal, dishonorable or bad-conduct discharge, or confinement for one year or more, the Judge Advocate General, in his discretion, may take the action prescribed in 100*b*(2) above. Otherwise, he will transmit a copy of the initial court-martial order (90*b*(1)) and any supplementary orders (90*b*(2)) and two copies of the decision of the Court of Military Review, with such instructions as to future action as may be appropriate (Art. 66(e)) and with instructions to cause a copy of the decision to be served upon the accused, to the officer immediately exercising general court-martial jurisdiction over the accused. If the officer who exercises immediate general court-martial jurisdiction over the accused is not the officer who convened the court, or his successor in command, the Judge Advocate General shall also transmit a copy of the decision of the Court of Military Review to the convening authority who convened the court for his information.

"The accused may be notified personally of the decision of the Court of Military Review, or a copy of the decision of the Court of Military Review may be sent, after service on appellate counsel of record of the accused (if any), by first class certified mail to the accused at an address provided by the accused or, if no such address has been provided by the accused, at the latest address listed for the accused in his official service record. The copy of the decision of the Court of Military Review which is provided the accused will bear an indorsement notifying the accused of the right to petition the Court of Military Appeals for review with respect to any matter of law within 60 days from the time the accused was in fact notified or the mailed copy of the decision was postmarked, whichever is earlier. This indorsement will also inform the accused that any petition for review may be forwarded through the officer immediately exercising general court-martial jurisdiction over the accused and through the appropriate Judge Advocate General or filed directly with the Court of Military Appeals. The receipt of the accused for the copy of the decision of the Court of Military Review, a certificate of service upon him, or the postal receipt for certified mail will be transmitted in duplicate by expeditious means to the appropriate Judge Advocate General. If the accused is personally served the receipt or certificate of service will show the date of service. The Judge Advocate General will forward one copy of the receipt, certificate, or postal receipt to the Clerk of the Court of Military Appeals when required by the Court.

"The accused has 60 days from the earlier of the date on which the accused is notified of the decision of the Court of Military Review or the date on which a copy of that decision, after being served on appellate counsel of record (if any), is deposited in the United States mails for delivery by first class certified mail to the accused at an address provided by the accused or, if no such address has been provided by the accused, at the latest address listed for the accused in his official service record to petition the Court of Military Appeals for review. The placing of a petition for review in proper military channels divests the Court of Military Review of jurisdiction over the case, and jurisdiction is thereby conferred on the Court of Military Appeals. If the accused does not so petition, the convening authority, or the officer immediately exercising general court-martial jurisdiction over the accused, or the Secretary concerned (Art. 60) may order any sentence which, as affirmed by the Court of Military Review, extends to dishonorable or bad-conduct discharge or confinement for one year or more into execution or take other authorized appropriate action (Art. 74(a)) as the circumstances may warrant.".

Sec. 9. The last sentence of the third paragraph of paragraph 102*b* of the said Manual for Courts-Martial is amended by striking the "*j*" in "48*j*(3)" and inserting "*k*" in place thereof.

Sec. 10. Paragraph 110A of the said Manual for Courts-Martial is amended by inserting the following paragraph after the caption and before the existing first paragraph:

"An accused who elects to file for review by The Judge Advocate General under Article 69 must do so before October 1, 1983, or before the last day within the two-year period beginning on the date the sentence is approved by the convening authority or, in a special court-martial case which requires action under Article 65(b) by the officer exercising general court-martial jurisdiction, whichever is later, unless the accused establishes good cause for failure to file within that time."

Sec. 11. The second paragraph of paragraph 125 of the said Manual for Courts-Martial is amended to read as follows:

"No member of the armed forces may be placed in confinement in immediate association with enemy prisoners or other foreign nationals not members of the armed forces (Article 12). No person while being held for trial may be subjected to punishment or penalty other than restraint upon the charges pending against him. *See* 18*b*(3).".

Sec. 12. These amendments shall take effect on January 20, 1982. These amendments apply to all courts-martial processes taken on or after that date, except that the amendment of paragraph 34*c* shall apply only to investigations begun on or after January 20, 1982; the amendments of paragraphs 46*d*, 48, and 61*f* shall-apply only to courts-martial in which all charges are referred to trial on or after January 20, 1982; and the amendment of paragraph 100 shall apply only to cases in which the opinion of the Court of Military Review is dated on or after January 20, 1982.

Sec. 13. The Secretary of Defense, on behalf of the President, shall transmit a copy of this Order to the Congress of the United States in accord with Section 836 of Title 10 of the United States Code.

RONALD REAGAN

The White House,
January 20, 1982.

[*Filed with the Office of the Federal Register, 4:05 p.m., January 20, 1982*]

Remarks at the Inaugural Anniversary Dinner of the President

January 20, 1982

Thank you all very much. I was just reminiscing to myself and thinking that I spent 30 years in the wrong party. [*Laughter*] If that needs explaining to anyone, it wasn't the last 30 years. [*Laughter*]

George and Barbara, the chairman of our party, the chairman of this dinner, our finance chairman, Nancy and I are delighted to be here with you tonight. Your efforts did much to bring this administration into being. We thank you for what you've done in the past and for the dreams that you are unafraid to live today.

This is a very impressive gathering. When I walked in I thought I was back in the studio on the set of "High Society." [*Laughter*]

I hope we've come here in our finest to recognize another turning point. As George said, it is a turning point—to set this evening apart, to unite behind a cause that we believe will bring prosperity to all Americans.

We have achieved a lot in this last year, including historic cuts in the budget, taxes, and the size of government. I would like to think that we're here to renew our commitment for the long road that's still ahead. The days of sensational, quick victories are mostly behind us, and now we move from the glamour of initial commitment to the grit of the long haul.

A year has passed, but our goal remains the same—to restore incentive through individual tax cuts, to reduce spending as a percentage of the gross national product, and to return as much power and authority to the States and localities as is permitted by the Constitution—at the same time, to do a better job of meeting basic Federal responsibilities such as keeping America strong enough to remain free. And no one has convinced me that these goals can't be achieved together. In fact, I don't think any of them can be achieved alone.

Now, if you're saying, "Well, didn't we do that last year?"—well, the answer is yes, but we have to keep on doing it if we're to drain the swamp. There are those who've resisted us in this from the very beginning, and they'll not only keep on resisting, they'll try to push us back. The loudest cries of pain have come from the very people who, for decades, have led the raid on America's resources, from those who've had a hand in creating our present problems, and now with a cry of joy, they say today's recession is proof that our policies don't work. Well, I've been kind of interested to note that every time they refer to one of the hardships of this present recession—and of course we are in one—I've noticed that they say, "Why it's the worst since the recession of the spring of 1980." [*Laughter*]

Now, what this recession proves is that what they've been doing for the last few decades hasn't worked and never will. Yes, there is a recession, but it didn't start a year ago tonight. But it will go away if we get control of the budget monster, our economy, and our own lives and destinies. If we do nothing else in this administration, we're going to convince this city that the power, the money, and the responsibility of this country begins and ends with the people and not in some puzzle palace here on the Potomac.

The American people haven't lost faith in our cause. An independent poll recently asked them if the recession "hurts," and they said, "Yes." "Is the economy under control?"—and they said, "No." "In light of this, should the administration continue its economic policies based on faith, incentive, and growth?"—and the answer was a resounding, "Yes."

You know, I think the American people know what 49ers quarterback, Joe Montana, found out the hard way. When he was making the transition from college to pro football, there were those who thought he was too thin. So Joe ate pizzas and drank milkshakes at 2 o'clock in the morning, thinking the extra weight would be like extra padding. Well, as it turned out, he got the padding, but it was all in the wrong places. And being the bright fellow that he is, he went back to doing what had always worked for him before and what had gotten him into pro ball to begin with. He found out that detours are rarely the road to excellence, and excess never leads to strength.

What the American people are calling for is a return to our first sound principles—the system of self-government and free enterprise that made us great in the first place. And what do you know?—inflation has dropped to single digit for the first time in 3 years, but it isn't low enough yet. Interest rates are below their once dizzying heights, the kind we found a year ago tonight, but that's not low enough. Regulations have been cut by more than a third thanks to a task force headed by George Bush that has been going at those regulations. There are now 23,000 fewer pages in the *Federal Register*, that lists the regulations, than there were last year.

And there's more there to be done. Last year's tax and budget cuts were the largest in history. But to give you some idea of how much remains to be done, those largest cuts in history only reduced the rate of increase in both taxes and spending. Reducing inflation, interest rates, and unemployment by cutting taxes, budgets, and regulations is part of our dream of restoring accountability to government.

Forcing Americans to accept the dictates of a swollen government in Washington instead of dealing with elected representatives in their city hall has to be one of the more serious mistakes of this century. City halls, county seats, and State legislatures are the very laboratories of democracy, and yet in past years we've closed our eyes to their findings. By removing the possibility of resolving our problems where they occur, too many of us have turned our backs on the genius of our system. Too many of us have stopped believing in our ability to govern ourselves.

Through our program of block grants, we've returned much of the decisionmaking to State and local governments. And, again, it's not enough. We're going to return tax resources as well as responsibilities to the levels of government closest to the people. The American people have sent the handwringers in Washington a message. They believe in our program because they believe in themselves.

As Woodrow Wilson said, "America is not a mere body of traders. It is a body of free men and women. Our greatness is built upon our freedom. It is moral, not material. We have a great ardor for gain, but we have a deep passion for the rights of man." Well, we'll suffer no more delusions that these sentiments are found only in the mist off of the Potomac. It is the common bond of all who love freedom. In the words of Lech Walesa, "There will always be a glow within us."

You know, one of the nice things about this job is mail—the letters that come in. And I just happen to have brought one with me. [*Laughter*] I think maybe you might be a little inspired, as I was, to hear this:

> "I am 81 years of age, born in Russia. Twice in my lifetime I had to run from the Communist regime. First in 1924 I left from Poltava, the Ukraine, and went to Cuba. Then again in 1961 I fled from Cuba and arrived in Miami, in the U.S.A. During my life I have experienced so many disasters brought about by inflation that I want to share my experiences with you, and wish you victory and courage in your crusade.
>
> "I was present when in Russia 100 rubles was printed as a coupon almost the size of a postal stamp because the paper was worth more than the money itself. I was present when in Germany to buy a loaf of bread you had to carry a bag of money on your shoulder. I was present when in Cuba the peso was on a par with the dollar. After Castro, however, you couldn't exchange 20 pesos for 1 dollar. I was present when my parents were using 100- and 500-ruble bills as wallpaper to decorate their new home in New York. I was present when all the world considered the dollar bill the greatest treasure, worth more than gold or diamonds.
>
> "Without saving and preserving the value of savings, this blessed country of plenty cannot exist, and thank God that we now have a government in Washington who understands this."

On the outskirts of Gdansk in Poland this Christmas, there appeared a sign with letters 8 feet tall, plastered on a wall near the Lenin shipyards. It read, "Countrymen, save freedom." Well, I think that's what you sent us here to do. Thank you for all that you've done, but do even more. In this celebration tonight, renew your commitment. In this decade, our country calls not alone for our sacrifice but for our resolve.

And in case you've wondered, Nancy and I are happy in our work. Thank you all.

Note: The President spoke at approximately 10 p.m. in the International Ballroom of the Washington Hilton Hotel.

Interview With Reporters From the Los Angeles Times

January 20, 1982

Views on the Administration

Mr. Nelson. Mr. President, I'd like to start by asking you, you frequently have referred to the tremendous impact that Franklin D. Roosevelt had in reshaping the country, and in your first year, you've made a tremendous impact in starting to reshape the country. And I wondered how you judge your impact in the first year and also what sort of legacy you hope to leave.

The President. Well, I believe that we have started government on a different course, different than anything we've done in the last half century since Roosevelt began with the New Deal. And that is the recognition that there must be a limit to government size and power and that there has been a distortion of the relationship between the various echelons of government—Federal, State, and local. And I think that we have the most to do with yet, because the higher levels of government are reluctant to give up authority once they have it.

History shows that no government has ever voluntarily reduced itself in size. So, in effect, you know, we're part of government. We're trying to bring about that change. Now, this does not mean that we don't recognize government's basic responsibilities, the things it is required to do. And with all of the criticism of national defense, one of the top priorities that is listed constitutionally for the Federal Government is the defense of the Nation, the national security. That prime function has been one that has been sadly neglected in recent years.

But I think the very fact that we were successful in getting the biggest single package of budget reductions ever adopted, the single biggest package of tax reductions—and ongoing—that have ever been adopted, has set us on a course of trying to bring back the idea heralded by all our Founding Fathers, and reiterated so often by leaders in government. It's that government must stay within its means. And we haven't achieved that yet. But by cutting the rate of growth in government more than in half or about in half, we're trying to bring those two lines closer together—the line of the normal increase in revenues that comes from the tax structure, and the growth of the country and the economy and the normal increase in government spending, which would reflect the growth in the country.

Today, you have to add to that inflation has been responsible, because government's expenses go up, too, with inflation, just as the individual's do. But this is why inflation is the thing we must turn around.

Now, I know I'm getting very lengthy with this answer, but let me just add one thing. For years out on the mashed-potato circuit, long before I ever thought I'd be a part of government—never had any ambition to be that—I called attention to the fact that years ago, the Democratic majority which prevailed in the Congress for most of this half century, almost all of it——

Mr. Nelson. And you were a Democrat once.

The President. Yes—had adopted deliberately a policy of planned inflation. And they heralded it as the "New Economics," that was their term. And they said that a little inflation was necessary to create prosperity. And they claimed that it could be controlled, that you could have a small percentage that we could easily absorb, and growth would take care of it and people's earnings would stay ahead of it. And I used to proclaim in my mashed-potato appearances that it was like radioactivity, that it was cumulative. And you could not continue it without it one day getting out of control. And one day, it got out of control.

Mr. Nelson. So, could you just sum up very quickly, though, what do you hope your legacy will be as President?

The President. I hope my legacy will mean that we restore the balance between the levels of government, meaning that we restore to local and State government functions that are properly theirs and belong there, and restore to them the tax sources necessary to support them, which have been also usurped by the Federal Government; that we set a policy that I would hope could be legally imposed, barring an emergency such as war, that the Federal Government, like the various States, must live within its means. And a policy, before I leave, that we could begin, no matter how small, paying installments on the national debt as a signal to those who will follow, that the national debt is not something—that we will either default on, as all other governments in the past have done when it got unmanageable and too big—that we'd not default on and that it will not hang over, forever, succeeding generations.

Federal Budget

Mr. Skelton. Let me just interject there before I ask a question. Would you favor a constitutional convention to propose a balanced budget?

The President. Well, constitutional conventions are kind of prescribed as a last resort, because then once it's open, they could take up any number of things. I've always thought that the regular procedure that is prescribed first, of a constitutional amendment——

Mr. Skelton. Would you like to see Congress pass a constitutional amendment?

The President. There's one thing, though, about a constitutional amendment just to balance the budget. There must also then be some limitation on the percentage of the people's earnings or the gross national product that the government can take in taxes, because you can always balance your budget just by taking more money away from people. So, that wouldn't help any.

I remember once that Milton Friedman said that the problem is the cost of government, not just necessarily the deficit. And he said he would prefer—this was a time when the budgets were approaching $400 billion and so forth—he said he would prefer an unbalanced budget of $200 billion to a balanced budget of $400 billion, because 400 would be taking more money from the people than it should.

Mr. Skelton. I was going to ask you a question about the balanced budget. We took a poll, and it showed that three times as many people would rather have a balanced budget as increase defense spending or even income tax cuts. And you seem to be moving in a direction where your top priorities are a defense buildup and also tax cuts, and the balanced budget is not quite so high anymore on your priority list. And I wondered if you could explain why that is?

The President. Well, George—and without appearing to be personally critical or anything of your profession—isn't this perhaps a reflection of what is constantly thrown at the public, publicly, that—and all of us are responsible. We all talk about the evils of deficit spending, and—just as I've finished talking here—we want to get back to where we stay within our means.

But I also promised all during the campaign—and I don't know who took that poll, who they talked to—but I remember—if you remember, I used to do Q and A an awful lot, and I remember when repeatedly the question would be asked, if the choice came down to restoring our military security or balancing the budget, which side would I come down on? And I said I would come down on the side of restoring our defenses, our national security. And inevitably, I never—in fact, I never gave that answer to an audience that I did not get enthusiastic applause.

Mr. Skelton. So you feel you have a mandate to do that.

The President. But what I do think lately is when you start talking about all the cuts and everything, and then usually the military budget is treated as a swollen thing and out of proportion and so forth—actually, it isn't. We're spending a smaller percentage of the gross national product on national defense than we used to do years ago in what were considered normal times. But we're playing catch-up. We are restoring something that was allowed to diminish and deteriorate.

I think that the people hear that, and the people have heard so much about that their troubles are due to the deficit—in part they are. It's harder to explain that reducing the tax rates can result in even the government getting more money, that the tax cuts aren't just simply to relieve an individual of tax burden. They are to restore a balance in government and private spending that will increase productivity, broaden the base of the economy, help provide the jobs for those people that are unemployed. And when that all happens, as it did in the Kennedy years, the government itself ended up getting more money.

The people—we talk tax cuts. We should talk tax-rate reductions. And it's a difficult thing to explain to people, that those reductions in rates for each individual are intended to result in more people paying taxes and better earnings so that government will get a normal percentage increase, even though the individual is better off.

Mr. Skelton. Do you see any circumstances where you might want to delay or cancel these tax-rate cuts of last summer in order to balance the budget?

The President. No. As a matter of fact, I will tell you, I firmly believe—and I have the support of a number of economists on this—that had we not been forced to compromise, had we been able to make these tax cuts—first of all, we asked for 30 percent, not 25, over the 3 years. We had to take that cut to get it.

The second thing was we had asked for it to be retroactive to last January 1st so that the people would have been having a tax cut immediately—retroactively, in fact. And we then first had to compromise down to July—last July 1st—and finally it ended up October 1st, the beginning of the fiscal year. So, in effect, the actual tax cut for 1981 is only about 1¼ percent. Well, that's not exactly a stimulant to the economy that we had in mind.

Now, these people, these other economists—and, as I say, I myself—believe that had we not had to compromise, very possibly we wouldn't have had this recession. And if we had had, it would not be as severe as it is.

So, rather than push it back or postpone—no, the thing that I would yield to if it could practically be done would be to move it forward. And there have been proposals to do that. But politically it might be impossible, because if we once open that subject, that we know is what will happen.

The Nation's Economy

Mr. Skelton. Let me jump in here with another impact-type question. When you ran against Carter and during the debate, you asked people to judge his impact on their lives, and you asked them to ask themselves whether they were any better off now than when he first became elected. Do you think it's now fair to ask people whether they're better off than when you became elected? And if not, when will it be fair?

The President. Yes, but I was asking at the end of 4 years.

Mr. Skelton. Okay, 4 years from now——

The President. Now they're comparing me to 1 year ago—and with a recession. I think by actual figures I could prove that they are better off.

First of all, the interest rates are over five points lower than they were when I took office. The inflation rate is down to single digit, when it was almost 14 when I took office. Their rate of taxation is now lower than it was when I took office.

So, I would suggest that if the people actually looked at the figures—but I think in a recession it's easy to find people out there who say, "No, I'm not," and particularly if you ask around Washington, because we have drastically reduced the size of government. There are fewer government employees—[*inaudible*]—and one of them, if he hasn't found another job, would say, "No, I'm not as well off as I was a year ago."

Federal Deficit

Mr. Cooper. Mr. President, in your first year you had extraordinary success in cutting the rate of growth in Federal spending. The deficit projections are still mushrooming nonetheless, probably, primarily because the basic entitlement programs have not been changed very much. Would you favor, to hold down the deficits, beginning to cut into those entitlement programs, social security and such, or perhaps go to the excise taxes on gasoline and cigarettes?

The President. Well, social security, of course, is now in the hands of a commission—and that was something else, again, that I'd always spoke of during the campaign, and then thought maybe we were going to be able to get something done without going that route. But we're going back to it. So, I except that and take the others. They have to be looked at. And it isn't a case as—when you say cut down, immediately the impression is given to anyone who's dependent on government that they're now going to have less than they had before.

I think that there are great improvements that can be made with regard to eligibility and ensuring that those who are getting entitlements are truly in need of them and justified in getting them. There are corrections that can be made, such as our own Inspector General's finding out in the last 6 months that 8,500—and this is not the final check, this was just on a first check, partial check—that 8,500 social security recipients have been receiving checks for an average of 7 years, that they've been dead that long.

Unemployment

Mr. Nelson. Mr. President, one of the measures that you supported last year in budget-cutting was the elimination of 13 extra weeks of jobless compensation. With the unemployment rate now at 8.9 percent—and some predictions it'll go higher—do you see any chance that you might support a move to restore that extra 13 weeks?

The President. Well, this is one that I just don't think I could give you an answer on this, because we haven't discussed that. That is, there's been no discussion of this, and I haven't seen the facts or figures on that.

Mr. Nelson. Also, on the unemployment picture you were asked, I think, at the press conference about what did you plan to do about the 17-percent rate among blacks, and you pointed to the local newspaper and said you'd made it a point to count the number of pages in the want ads, 24 pages. And then you said that you needed to get more qualified people to apply for those jobs, and you would do what you could to see that there were more qualified people. Do you have a specific program in mind?

The President. Well, we have been working with this national task force that we have on voluntarism, and they have been discussing some plans that employ a combination of government and private for this.

Now, there are a number of programs that are going forward. For example, in five States, started by the governments—which ought to restore some people's faith that our turning back of things to the State governments is not—in these five States they have started programs, not statewide, but in several important, key cities as an experiment—and a very successful one so far—in which the private sector is involved in taking the least-likely-to-succeed seniors in high school into job-training programs. They don't go for the best—they don't, those they figure—but they found some actual statistics of the percentage of high school students that were—you could really conceive that they were going to have trouble when they got out and they probably were not going to go on to any additional education in college or anything. And 60 percent of them wind up within 2 years on welfare. So, they started this experiment, and it has been, I think it's something like up in the 90 percent of salvage of these students who were judged by their associates and their teachers and so forth to be the least likely to make it.

Now, there are things like this going on all over the country to——

Mr. Nelson. But you don't have a specific government program in mind at the time to do anything?

The President. Well, only to the extent of—as I say, right now the government is working with the private sector on some programs of this type. And it's a little premature for me now to say what they're doing or how they're succeeding.

Mr. Skelton. You're going to comment on this in your State of the Union?

The President. What?

Mr. Skelton. Will this be in your State of the Union?

The President. I don't know whether that specific subject, but there will be some others.

National Security Adviser

Mr. Nelson. On another matter, in bringing Bill Clark here as your assistant for national security you brought a longtime associate and close friend who, other White House officials say, will have enormous influence beyond this area of national security, both because of this rapport with you and because he knows so many other people in the administration. Can you comment on that? And do you see the so-called troika that people say runs the White House will now be transformed into a quartet?

The President. No, there's no change in that. The team is working very well. And I think that you'll find that the job that Bill Clark has, that is a round-the-clock job, and he is working very well in that position. That's what it will be.

Now, we had always planned—well, not always, but I mean recently planned having started on one system before there was ever any thought of a change of personnel, we were looking toward a more direct access on the foreign policy matter. We found that what we had, the system we were working with was more cumbersome than it had to be. So, that change is already taking place.

Mr. Nelson. But he obviously discusses matters other than national security with you, doesn't he? Or will he, since he knows you so well and——

The President. With the state of the world today, I could tell you honestly, every conversation he and I have had has been on national security.

National Defense and Arms Reduction

Mr. Skelton. Speaking of the state of the world, some people in the Pentagon are worried that after a year or two, because of the realities and pragmatism of economics and politics, that your commitment to a defense buildup may slack off and that you won't be able to carry through with the big defense spending that you're now planning to. How committed are you to carrying forth with a——

The President. No, I am committed to——

Mr. Skelton. ——600-ship Navy and the B-1——

The President. I don't think that the people—I think they sense it; they did all during the campaign—that we're not where we should be with regard to our ability and security, and we're not. That "window of vulnerability" term that we used, that exists. But I am optimistic that there can come a day when we can slack off, if we're successful, in what I believe goes along with this. And that is true, legitimate, verifiable arms reductions of our adversaries, such as the Soviet Union.

Now, up till now, my criticism of the negotiations that have been held, such as the SALT talks, my criticism was that on one side of the table sat the Soviet Union in the midst of an enormous—the greatest that man has ever seen—in the buildup of their military. And they were seeing us across the table in these recent years, unilaterally disarming, which meant that all we could do to them was ask them, "Why don't you do it, too?" They didn't have to give up anything. And we were already giving it up voluntarily.

Now, as we go forward with our program, the Soviet Union realizes they're no longer going to have that free ride. And I believe since they have strained their economy to the limit, they are not really able to adequately provide their people with consumer goods and food, because everything is devoted to the military buildup. So, strained to the limit as they are and suddenly faced with the prospect of maybe trying to have to match the great industrial capacity of the United States now turning to a military buildup, that we can get legitimate reductions in arms.

Mr. Skelton. Do you think that's likely in the next 3 or 4 years, in your term?

The President. Well, I think it's going to take a while to build up, but we've started in Geneva with the intermediate-range missile program.

Now, if we had not gone forward with a program of promising missiles and cruise missiles to our NATO allies to match the SS–20's and –4's and –5's that the Soviet has based, targeted on Europe, they could wipe Europe out. And there's nothing to deter them. But now, faced with our buildup in which we will put a deterrent force in Europe aimed at their cities, they're willing to sit down in Geneva and have a meeting with us on this.

Where would we be in those kind of talks if we were sitting there with no plan of a deterrent force at all and simply asking them to give up their SS–20's?

Mr. Skelton. What you're saying is you're going full speed ahead on the arms buildup, at least until we get a verifiable arms control pact.

The President. Yes, until things can develop that we can—in other words, I am very willing to talk arms reduction. And I have, again, promised that during the campaign: legitimate arms reduction.

But let me tell you what—out of the SALT talks, to illustrate what I was talking about. I have been given figures that if the SALT II treaty had been ratified, it would have permitted the Soviet Union to add to its arsenal nuclear explosive power equal to what we dropped on Hiroshima every 11 minutes for the life of the SALT II treaty. Now, how do you call that strategic arms limitation?

Draft Registration

Mr. Skelton. On a corollary issue, do you see any circumstances where you might approve of a peacetime draft, reassess your opposition——

The President. No.

Mr. Skelton. ——that could please the allies?

The President. My change of mind on the registration was only because I had accepted, as most people did, even when the head of the Selective Service himself testified in 1980 that that rather costly operation would only shorten mobilization time by a few days. Well, it just wasn't cost-effective. However, I have now since—and greater study has been made and the information has been brought to me that, no, we can shorten mobilization by as much as 45 days. Well, that makes it cost-effective. And so, I've said, "Okay. I'll continue the registration."

The peacetime draft—we have now seen an upgrading in the type of personnel enlisting, an increase in the numbers, an increase in the numbers who have reenlisted. There's an entirely different spirit in the armed services, and I believe that the voluntary military, which has been traditional in our country, other than in wartime, will work.

If there were anything at all—you said, could anything make it peacetime—I would have to hark back to the days preceding World War II, and there for the first time we instituted a peacetime draft. But the rest of the world was at war; the whole world was going up in flames. And so, hypothetically you'd have to say there could be a situation where you thought the risk was so imminent that you might do this. But I don't see that risk as imminent now, and I am philosophically opposed and practically opposed to the peacetime draft.

Soviet Military Power

Mr. Nelson. But are you concerned though that there's sort of a growing movement in the United States of people who don't seem to take seriously the warning that you've given about the Soviet buildup and who don't think that we should be preparing for the possibility of a nuclear war? And what can you do to convince the American people that you're right about that?

The President. We tried one thing. We put out that booklet, that pamphlet——

Mr. Nelson. But there are a lot of skeptics about that booklet, aren't there?

The President. Well, yes, and a great many of those skeptics are people that I think could be described as "figures don't lie, but liars figure." I think the skeptics are wrong, and I think they're doing a disservice to the country and to the people of this country, because our situation is dangerous.

Mr. Nelson. Is it more dangerous now, do you think, than in recent years? I mean, in the past year or so has the world situation changed so much that it's more dangerous?

The President. Well, our own deterioration had continued right on down to when we took office and then started to reverse it. We've now put into operation the first realistic buildup of forces and strategic forces in over 20 years.

David A. Stockman

Mr. Nelson. May I ask you a question on another subject? David Stockman, your budget director, is a very important figure in your economic program in the first year. Of course, he offered his resignation after the article in the Atlantic Monthly criticizing your program came out. A lot of Republicans—not just Democrats but Republicans—have said he's lost his credibility on Capitol Hill. In view of that, do you expect him to continue as budget director throughout your term?

The President. Yes, because I think that in that Atlantic Monthly story he was the victim, not the villain, and——

Mr. Nelson. But he still lost credibility though?

The President. The funny thing is, no. Recently, in the last efforts up on the Hill there on the thing of getting the continuation that we wanted for covering these months and so forth, he was the man with the figures and the man that certainly our side was relying on. And I had any number of them come down and say that they would have been lost without him.

Mr. Nelson. Is he going to resume dealing with Democrats, because he has not been doing that since the article came out, according to Congressman Jim Jones, the chairman of the House Budget Committee.

The President. Well, maybe he was speaking from a partisan standard. I would not have seen where there was much of a need lately. He will be involved now as we go forward with the—as we present the 1983 budget.

Mr. Nelson. Don't you think that the Democrats are waiting in ambush for him when he comes on Capitol Hill next time, with the information from the Atlantic Monthly article?

The President. I think that they're laying and waiting ambush for me. [*Laughter*]

Deputy Press Secretary Speakes. Stockman said that it's not uncommon for him, when he's preparing our budget, not to be talking to Democrats.

Environmental Issues

Mr. Skelton. I've got to ask you an environment question. When you became Governor of California, people were very concerned about your environmental positions. So, the first thing you did was appoint as your resources secretary, Livermore, who had great environmental credentials from the Sierra Club president, and he gave you environmental credentials. You did just the opposite here, it seems in many people's view. You appointed a guy Interior Secretary who is perceived to be the extremist on the developmental side. And I'm wondering, do you have second thoughts about maybe the way the environmental issues were handled? Should it have been handled more delicately?

The President. No, not at all. And, George, let me remind you of something. I fancy myself an environmentalist.

Mr. Skelton. But a lot of people don't fancy Watt as that.

The President. I know, except that I can remember when a man from the Federal Environmental Protection Agency came to Sacramento to make a spech toward the end of my terms there and said that California was ahead of the National Government in what it had done.

Mr. Skelton. That's why I'm wondering whether you might have second thoughts about what you've done here.

The President. No, let me point something out. The highway commission, before I became Governor, as you know was kind of a bulldozer. It was considered to be autonomous, and no one could control it. And if you remember, there were always battles going on in the State because if they decided this is where the highway's going to go, they didn't care whether it went through a grove of redwoods.

Do you remember Pat Brown once saying, when it was going to go through a grove of redwoods, "Well, we'll plant some more"? And the people were very—well, one of the first things I did when I got in was make a change in the highway commission and dictated that if a slight curve was necessary to preserve an historical monument or something unique, like a grove of trees or a beauty spot or something, they'd make the slight curve. And the result was that California won in 9 out of 13 national awards for highway building that preserved the environment and historical artifacts and so forth.

Mr. Skelton. How about all that offshore drilling that your administration has to do now?

The President. We were the ones who stopped the offshore drilling until we were satisfied after the oil spill—and the oil spill was Federal, not State. And, George, the head of the oil company told me afterward, he was not—he had risen to his point from the commercial end of it, not from the engineering end—and he said what he had learned in that whole thing was that had they been drilling outside the limit, under the State regulations instead of the Federal, there'd never have been a blowout.

Mr. Skelton. You don't think Watt's a political liability then?

The President. What?

Mr. Skelton. Do you think Watt's a political liability?

The President. No, because—and I wonder why everyone—I saw—again, that was—was it "60 Minutes" or someone did the thing on Watt and the million petitions that the Sierra Club got, asking for his resignation. Why hasn't anyone mentioned that in response to that, a petition of over 7 million signatures was brought in wanting him retained?

I think that what happened, and what happened in our own State was—and I was seeing it happen—that the environmental movement—there hadn't been such a thing before our administration. It started during my terms as Governor. I don't say I started it—it started. But it got out of control. And we had environmental extremism that was going beyond all bounds of reason. And I felt that way then, and I feel that way now. And I think that Jim Watt—he's not going to destroy the environment, but he is going to restore some common sense.

Views on the Presidency

Mr. Nelson. Mr. President, Larry's waving us out of here, so may I ask you one very quick question and make it a couple of parts? One, did the assassination attempt in any way sort of change your outlook on the Presidency and what you, you know, on how you're proceeding in your job, how you look toward the future? And most of your aides say you really enjoy the job here. Do you really enjoy the job——

The President. Yes.

Mr. Nelson. ——and do you miss the California weather very much?

The President. Oh, well, I think anyone from California is kind of perpetually homesick. I am, and particularly because California means to me that ranch, which I love very much, and that kind of life and all.

But, yes, I enjoy it. I have talked for so many years without ever thinking that I would ever do anything except—when I say talk, make speeches; you know, I've always described it that in Hollywood, if you didn't sing or dance, you ended up as an after-dinner speaker—about the things that I felt should be corrected. And it was the same thing I discovered as Governor, that the satisfaction in being able—instead of just talking—to cope with them and try to get things changed—yes, I like very much.

Mr. Nelson. So, we can expect you to be running for reelection in 1984?

The President. Well, I've always said the people tell you that, whether you——

Mr. Skelton. So the people tell you you should run?

Mr. Nelson. Will you talk about how the assassination attempt really changed any way you look at life or the way you approached your job or the way you feel about things?

The President. Well, I think you're more aware, and I'm also very aware that the Lord certainly was watching out for me on that day. And I guess—from now on my time is His time.

Mr. Cooper. Give you some sense of redoubling your efforts?

Mr. Nelson. Yeah, does it give you some sense of redoubling your efforts to do what you're trying to do as President, or is that——

The President. Well, yes. As I say, I think that He has the first claim on my time from now on.

You were going to ask a question, I thought.

The Soviet Union

Mr. Cooper. I was just going to follow up and ask one there. I also was really wondering—if we've got half a second—to ask you about—you were talking about the danger that the country is in and the threat of nuclear war. What's your personal view of the intentions of the Soviet Union? Do you think, as some people do, that they're primarily a sort of a defensive, fearful country, looking in Afghanistan and Poland for buffers, or do you think they still have an appetite for other people's territory?

The President. Well, I think there's a combination of both. At least they talk a great deal about their fear that the world is going to close in on them, but the other, you can't deny that the Marxian theory and Lenin's theory and every Soviet leader since has at some time or other publicly reaffirmed his dedication to this—and that is that Marxism, the theory, can only succeed when the entire world has become Communist.

Mr. Cooper. So is it a little naive, perhaps, to think that if we just reassure them, placate them, that they will moderate their——

The President. That's it. They've got to, and maybe the failures of their own system, which make them dependent on the rest of us for help—as they are—maybe this will help them see the fallacy of this. But this is why I mean it's a combination not only of fear; it's not just defense. They believe that—that religion of theirs, which is Marxist-Leninism, requires them to support world revolution and bring about the one-world Communist state. And they've never denied that.

Mr. Cooper. And we have to, you feel, have to contain that, have to stop that, not just in places like Poland but in Africa——

The President. Yes, because I think they've proven that their system is not one of increased freedom. It's one of increased dictation. Can anyone say that the Tsar was any more repressive on the Soviet people than this regime is? Did the aristocracy in the old days, did they have any different elevation of luxury over the peasantry than the hierarchy has over the average Soviet citizen, the so-called masses, today? Beach homes on the Black Sea, private jets, helicopters, country homes outside, special stores where only they can purchase the certain special kind of goods—they've created an aristocracy. What's ever happened to that equality of man that they teach?

Messrs. Nelson, Cooper, and Skelton. Thank you very much.

Unemployment

The President. Incidentally, since it's almost time that you'll be hearing it anyway—why didn't you, in your interview, ask about yesterday's press conference and the fuss about the number of unemployed in '80 and '81?

Mr. Nelson. Well, we'll ask about it. What about it? [*Laughter*]

The President. Well, I was right.

Mr. Nelson. You were right?

The President. In fact—and the others were right. But the others compare the number of unemployed in December 1980 and December 1981. But the figures that are normally taken are the average for the year. And in 1981 the average number of people employed for the year was 1,048,000 [1,043,000] [1] more than it was in 1980, and the Department of Labor will confirm that.

Mr. Nelson. What about the other figures on the last 6 months of the Carter administration on the inflation rise? You said it was a steadily increasing rate, and the figures show that it actually went down from 7.8 percent in July to——

Mr. Skelton. Unemployment figures.

The President. No, you're talking about unemployment.

Mr. Nelson. Sorry—unemployment figures went down to 7.4 percent.

The President. The only thing that I can figure that might have happened there—and that wasn't very much of a down—you'll remember that there was a great—during the campaign—the great layoffs began in the steel industry and the automobile industry and so forth. It could have been in that latter part, that then as they started for the new models that people that were on layoff, there were actually more indeterminate layoffs in the automobile industry in '80 than there were in '81 or than there are now even. But that could have been the revving up for the new models and so forth, some things of that kind, that contributed to that.

Mr. Nelson. But if you look at the figures, you didn't inherit what was an escalating unemployment rate if you look at the employment figures——

Mr. Speakes. Basically flat.

Mr. Nelson. Basically flat, right.

The President. Yeah, basically flat. Yeah.

Mr. Nelson. Well, thank you very much, sir.

Note: The interview began at 10:40 a.m. in the Oval Office at the White House. The transcript of the interview was released by the Office of the Press Secretary on January 21.

The President was interviewed by Jack Nelson, Richard T. Cooper, and George Skelton.

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[1] *White House correction.*

Nomination of Francis M. Mullen, Jr., To Be Administrator of Drug Enforcement

January 21, 1982

The President today announced his intention to nominate Francis M. Mullen, Jr., to be Administrator of Drug Enforcement, Department of Justice. He would succeed Peter Bensinger.

Since 1962 Mr. Mullen has been with the Federal Bureau of Investigation. He was assigned to the Bureau's Los Angeles office in 1963–69. He was with the Administrative Services Division in Washington in 1969–72; the Planning and Inspection Division in 1972; and was Assistant Special Agent-in-Charge in Denver, Colo., in 1973–75. Later, in 1975–76, he was Special Agent-in-Charge in Tampa, Fla.; Special Agent-in-Charge in New Orleans, La., in 1976–78; Inspector and Deputy Assistant Director, Organized Crime & White Collar Crime, in 1978–79; Assistant Director, Criminal Investigative Division, 1979–80; and since 1980 Mr. Mullen has been Executive Assistant Director, Investigations. He has also been serving as Acting Administrator of Drug Enforcement since June 1981.

Mr. Mullen graduated from Central Connecticut State College (B.S., 1962) and served in the United States Air Force in 1953–57. He is married, has three children, and resides in Vienna, Va. He was born December 14, 1934, in New London, Conn.

Proclamation 4892—National Consumers' Week

January 21, 1982

By the President of the United States of America

A Proclamation

An informed and educated consumer is vital to the longterm healthy growth of our economic system. Consumer education can help us make decisions that are right for ourselves and right for our economy. It helps motivate young people to formulate more realistic, attainable standards for a higher quality of life. It helps adults solve problems and make decisions in our increasingly complex financial world. And because consumer education promotes responsible consumer behavior and customer satisfaction, it is beneficial for consumers, business and government.

The American enterprise system has given us the greatest and most diverse outpouring of goods and services of any economy in history. We are the most prosperous nation in the world with unequaled opportunities for individuals to enjoy the fruits of their labors. Honest transactions in a free market between buyers and sellers are at the core of individual, community, and national economic growth.

In the final analysis, an effective and efficient system of commerce depends on an informed and educated public. Consumer dollars shape the marketplace with an expenditure of roughly two-thirds of the gross national product—almost twice that of government and business combined. The strength of this consumer purchasing power carries with it a responsibility that each citizen wisely decide which economic resources are to be saved and which are to be spent where.

There is a proper role for government involvement in the marketplace. For example, it is the responsibility of government to insure that our food and drug supplies are safe and that defrauders are brought to justice. Too much government regulation, however, simply adds to the costs to business and consumers alike without commensurate benefits. We are striving to correct excesses, at the same time recognizing that informed and educated consumers are our best hope for prosperity, efficiency, and integrity in the marketplace.

As we enter a new era of greater economic freedom, I urge schools, community organizations, the media, labor unions and businesses to develop programs and information so that consumer and economic education and information will be readily available to all.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate the week beginning April 25, 1982, as National Consumers' Week.

In Witness Whereof, I have hereunto set my hand this twenty-first day of January, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 10:34 a.m., January 22, 1982*]

Remarks on Receiving the Final Report of the Commission on Fiscal Accountability of the Nation's Energy Resources

January 21, 1982

Mr. Harper. Mr. President, we are here this morning to present the findings of your Commission of Fiscal Accountability of the Nation's Energy Resources that was established last July to investigate allegations of fraud in the payment of oil royalties and theft of oil from government and Indian lands. The Commission has now published its findings and recommendations, and Secretary Watt has already begun to follow up on some of the recommendations made by this Commission.

Mr. President, this is the kind of fraud and waste that we can stop by investigating problems that now exist and installing improved management systems that will prevent fraud and waste in the future.

I'd now like to introduce Dr. David Linowes, who chaired the Commission, and he'll give you some of the highlights of his report.

Dr. Linowes. Mr. President, first I want to thank you for permitting us to crowd into your already crowded day. But after 6 months of intensive investigations, the Commission had to conclude that the financial management of the Nation's energy resources had failed to do its job. As a result, hundreds of millions of dollars are being lost each year. We found that royalty collections actually are on an honor system. The companies tell us what they take from our wells. They tell us what the value is. We have no means of independently verifying those quantities. There are no internal controls. Only a handful of audits have ever been conducted. And site security is deficient. We found that theft was quite common throughout the country. And what very much disturbed us as a commission was that these and many other deficiencies were going on for 20 years; nothing had been done about it that was effective.

Well, to correct this state of affairs we made 60 recommendations, and they cover a very broad spectrum, of course. But they, I think, do come to grips with the essence of the problem. For example, we urge that there be criminal penalties for purchase of stolen oil and gas. We don't have that now. We recommend that there be cooperative arrangements with the Indian tribes in States, so they can help to monitor the lease sites and share in the auditing. We feel quite strongly that royalty management should be moved out of the present prestigious, scientifically oriented Geological Survey and set up in its own high-level office.

In short, we're convinced as a commission that this report here does provide a blueprint for effective financial management of our nation's energy resources. I think I might add—on behalf of all of the Commissioners, I'm sure—that participating in this work has been a very challenging opportunity for us to serve our nation and participate with you, join you in your attack on waste, fraud, and inefficiency in the Federal Government. As private citizens, we appreciate the opportunity.

The President. Well, Dr. Linowes, I know I'm speaking for Secretary Watt when I say—and I guess for all of the American people—there's no way to thank you and the members of the Commission here for what you've done. It's unconscionable that this could have been going on all these years. And now to have this report and to know that all of you served as citizens here, doing your duty for the country, I'm deeply grateful to you. And I know that the Secretary will follow through. And with this as a guideline, we will follow the recommendations that you have brought to us and correct this problem. And again, thank you.

Secretary Watt. Mr. President, in an effort to get ahead of your instructions, knowing that you had pushed to take all the actions necessary to save the taxpayers this 2, 3, 4, 600 million dollar loss each year, we started implementing these recommendations last week. There are 60 recommendations. Every one of the recommendations has been accepted; most of them have already been implemented. A few of them require legislative remedies. We will present a package to the Congress within a week or two of their meeting and ask for expeditious, quick work of Congress so that we can create the penalties that this Commission has recommended.

They have recommended, as Dr. Linowes said, that we pull out of the United States Geological Survey, the inspection group. We have done that as of January 19th, and we have created a Minerals Management Service that is now in effect. And we think that we have already started stemming the loss of funds—the unbelievable loss of funds to the taxpayers—that has been going on for these many years. And within the next weeks, we will have really cut that flow off and saved the taxpayers these moneys.

It's a tremendous example, unfortunately, of how the Department of the Interior has mismanaged a multimillion dollar problem for 20-plus years. And with the help of this Commission, an outstanding group of nationally recognized citizens, we have adopted every one of their recommendations. Not many government reports get acted on like that. This one hasn't been sitting around.

The President. Yes, I know. Most people are cynical and think reports like this go on a shelf someplace. Well, Jim, and all of you, I just have to say there are some days in this job that are better than others, and this is one of those better days. Thank you all.

Incidentally, you gentlemen will be meeting in the Press Room, I understand, for questions and answers that any of you may have. What is the time schedule on that?

Mr. Harper. Right after the completion of our meeting with you, Mr. President.

The President. Right after you all [*referring to members of the press*] get over there. [*Laughter*]

Q. Will you be coming out, too, Mr. President?

The President. They've got me booked for something else, but as you heard, I have just received the report. I have not yet read this book. But these are the gentlemen that would be able to answer the questions anyway.

Note: The exchange began at 11:35 a.m. in the Oval Office at the White House. Edwin L. Harper is Deputy Director of the Office of Management and Budget and Chairman of the President's Council on Integrity and Efficiency.

Executive Order 12341—Cuban and Haitian Entrants
January 21, 1982

By the authority vested in me as President of the United States of America by Section 501 of the Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note) and Section 301 of Title 3 of the United States Code, and to reassign some responsibilities for providing assistance to Cuban and Haitian entrants, it is hereby ordered as follows:

Section 1. The functions vested in the President by Sections 501 (a) and (b) of the Refugee Education Assistance Act of 1980, hereinafter referred to as the Act (8 U.S.C. 1522 note), are delegated to the Secretary of Health and Human Services.

Sec. 2. The Attorney General shall ensure that actions are taken to provide such assistance to Cuban and Haitian entrants as provided for by Section 501(c) of the Act. To that end, the functions vested in the President by Section 501(c) of the Act are delegated to the Attorney General.

Sec. 3. All actions taken pursuant to Executive Order No. 12251 shall continue in effect until superseded by actions under this Order.

Sec. 4. Executive Order No. 12251 of November 15, 1980, is revoked.

RONALD REAGAN

The White House,
January 21, 1982.

[*Filed with the Office of the Federal Register, 10:35 a.m., January 22, 1982*]

Note: The text of the Executive order was released by the Office of the Press Secretary on January 22.

Message to the Congress Reporting Budget Deferrals
January 22, 1982

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report three new deferrals of budget authority totaling $1,758.3 million, six revisions to existing deferrals increasing the amount deferred by $191.3 million, and five revisions to existing deferrals which do not affect the amounts deferred.

The new deferrals involve International Security Assistance programs, Department of Transportation research and special programs, and the President's Commission for the Study of Ethical Problems in Medicine. The revisions to existing deferrals affect Appalachian Regional Development Programs as well as programs in the Departments of Agriculture, Commerce, Defense, Health and Human Services, State, and Transportation. The details of the deferrals are contained in the attached reports.

RONALD REAGAN

The White House,
January 22, 1982.

Note: The attachments detailing the deferrals are printed in the Federal Register *of January 27, 1982.*

Recess Appointment of Three Members of the Board of Directors of the Legal Services Corporation
January 22, 1982

The President has granted recess appointments to the following individuals as members of the Board of Directors of the Legal Services Corporation:

Harold R. Demoss, Jr., of Houston, Tex., a partner with the law firm of Bracewell & Patterson. He was born December 30, 1930. He succeeds Steven L. Engelberg.

Clarence V. McKee, of Washington, D.C., counsel with the law firm of Smith & Pepper. He was born November 16, 1942. He succeeds Hillary D. Rodham.

Annie Laurie Slaughter, of St. Louis, Mo., who was director of volunteers, acting administrative assistant, and director of operations, Annie Malone Children's Home, from 1979 until May 1981. She succeeds Cecelia D. Esquer.

Message on the Observance of the Chinese New Year
January 25, 1982

I welcome the opportunity to express my warmest greetings to Chinese the world over as they celebrate this New Year 4680, the year of the Dog.

Throughout America, we see the many important contributions which Americans of Chinese ancestry have made to the growth and development of this country. Their talent, vitality, and rich cultural heritage have helped forge our nation into one of the greatest in the history of mankind.

The New Year is a time for optimism and reconciliation, a time when we put behind us the quarrels of the past and work to achieve greater understanding of ourselves and those around us, both friend and foe alike. It is a time when we look to the future with a sense of pride in all the human race has accomplished and in all which we have before us.

Mrs. Reagan joins with me in extending our sincere best wishes to the Chinese American community for peace and prosperity and a very Happy New Year.

RONALD REAGAN

Appointment of Four Members of the President's Commission for the Study of Ethical Problems in Medicine and Biomedical and Behavioral Research
January 25, 1982

The President today announced his intention to appoint the following individuals to be members of the President's Commission for the Study of Ethical Problems in Medicine and Biomedical and Behavioral Research:

George R. Dunlop would succeed Donald N. Medearis for a term expiring July 18, 1985. Dr. Dunlop is attending surgeon at the University Hospital in Worcester, Mass. He is consulting surgeon at the Memorial Hospital and professor of surgery at the University of Massachusetts Medical School in Worcester. Previously he was consulting surgeon at the U.S. Naval Hospital in Chelsea, Mass., and the U.S. Veterans Hospital in Rutland, Mass. He was chief of surgical service, the Memorial Hospital, in 1959–66. Dr. Dunlop is past president of the American Cancer Society and continues to serve as a member of the board of directors. Dr. Dunlop graduated from the University of Cincinnati

(B.S., 1927) and Harvard Medical School (M.D., 1931). He is married, has two children, and resides in Worcester. He was born March 31, 1906, in St. Peter, Minn.

Daher B. Rahi would succeed Renee Claire Fox for a term expiring July 18, 1985. Dr. Rahi is an osteopathic physician and surgeon in St. Clair Shores, Mich. Previously he was deputy medical examiner for Macomb County. He was president of the Macomb County Society of Osteopathic Physicians and Surgeons and president of the Michigan Association of Osteopathic Physicians and Surgeons. He was appointed in 1979 to the Michigan Health Occupations Council, and later director of Michigan Statewide Professional Standard Review Council, Michigan Department of Human Services. His humanitarian endeavors include his service as chairman of the United Foundation Torch Drive for 2 consecutive years, and as a leading physician in the polio and measles immunization drive. Dr. Rahi graduated from the University of Detroit (B.S., 1953) and the College of Osteopathic Medicine and Surgery of Des Moines, Iowa. He is married, has three children, and resides in St. Clair Shores, Mich. He was born July 11, 1930, in Lebanon.

Seymour Siegel would succeed Frances K. Graham for a term expiring July 18, 1985. Dr. Siegel is professor of ethics and theology at the Jewish Theological Seminary in New York, N.Y. He was chairman of the Department of Philosophies of Judaism, the Jewish Theological Seminary, in 1960–80. Dr. Siegel was senior research fellow, the Kennedy Institute of Bioethics, Georgetown University, in 1976–77. He was chairman, Committee on Jewish Law and Standards, the Rabbinical Assembly, in 1973–80. He was a member of the United States Delegation to the World Population Year Conference sponsored by the United Nations in Bucharest, Romania, in 1974. Dr. Siegel graduated from the University of Chicago (B.A.) and the Jewish Theological Seminary (M.A., Ph. D.). He resides in New York, N.Y., and was born September 12, 1927, in Chicago, Ill.

Lynda Smith would succeed Mathilde Krim for the remainder of the term expiring July 18, 1983. Mrs. Smith is a member of the University of Colorado Medical Center Advisory Committee in Denver, Colo. She is also a volunteer counselor and a volunteer for newborn aural testing at Penrose Hospital in Colorado Springs, Colo. In addition to these activities, Mrs. Smith is a member of the advisory board to the chancellor of the University of Colorado at Colorado Springs. She was active in raising funds for the Newborn Care Unit at the Children's Hospital, Denver, in 1975–76. Mrs. Smith graduated from the University of Texas (B.S., 1962). She is married, has three children, and resides in Colorado Springs, Colo. She was born August 1, 1940, in Tyler, Tex.

Message on the First Anniversary of the Return of the American Hostages From Iran

January 25, 1982

A year ago today fifty-two Americans returned home from Iran where they had been held hostage for fourteen months. We greeted them then with joy and thankfulness. We condemned their captors for demonstrating a cynical contempt for international law and for Iran's own law—and for undermining the fundamental commitment of all civilized nations to the settlement of disputes through peaceful means.

We will never forget the courage and strength of these fifty-two Americans and their families throughout the crisis. We are proud to commemorate today the safe return of these brave men and women.

Note: The message was sent to West Point, N.Y., for a ceremony commemorating the return of the hostages.

See 1981 book, page 38.

Remarks at a White House Dinner for the Bipartisan Congressional Leadership

January 25, 1982

This just proves what I've always said after a thousand banquets: There's nothing louder in a banquet room than a spoon on a glass.

I just wanted to say—no speeches or anything—just a word of welcome here to you. You are now back. Those of us who have been holding down the fort here, keeping the country running, are glad to have you back again.

There's been a certain amount of caustic criticism of me over supposed inaccuracies. And I was just saying to Speaker Rayburn here—[*laughter*]——

Now that we're back, there's been a lot to talk about whether we're going to take up the social issues. Anytime you want to talk about new silver for the White House—[*laughter*]——

Seriously, it does seem that this might be a nice thing for us to get together here—before we all really settle down to the year's work that's ahead of us—and break bread together. And I'm delighted to have you here and welcome you all. I know that we're going to be—hard as it is to believe tonight—we might find ourselves at times in disagreement during the year ahead. And I know that that might occasionally happen, and I just hope we'll be able to do that without being disagreeable.

So, welcome, and thank you all for coming.

Note: The President spoke at 9 p.m. in the Blue Room at the White House, at the dinner marking the return of the Senators and Representatives for the Second Session of the 97th Congress.

In his remarks, the President referred to former Speaker of the House of Representatives Sam Rayburn.

Message on the Observance of National Afro-American (Black) History Month, February 1982

January 26, 1982

Afro-American (Black) History Month provides a welcome opportunity for each of us to increase our awareness of the contributions black Americans have made to our nation. This annual observance inspires pride in the rich diversity that has been such a vital part of our country's greatness. We are a people whose strength flows from the unity molded from that diversity. Comprehending fully the meaning and importance of that unity and diversity requires a thorough knowledge of the long record of courage and commitment that has so marked the struggle for justice, freedom, and equality by black Americans. The perseverance and personal sacrifice that have continually aided black Americans in their drive for achievement reflect values that are the very essence of the American spirit.

The Association for the Study of Afro-American Life and History can be justly proud of its many efforts to stimulate general intellectual and scholarly interest in American black history. Furthering our knowledge of black history and development is an important part of the education not only of black Americans but of all Americans, and since 1915 your organization has been a leader in that process.

Understanding our past is the foundation for full participation in the life of our country. For this reason, I commend the deserved attention this month brings to Americans who not only have shaped our history but will be an integral part of our destiny.

RONALD REAGAN

Note: The annual observance is sponsored by the Association for the Study of Afro-American Life and History.

Nomination of James L. George To Be an Assistant Director of the United States Arms Control and Disarmament Agency

January 26, 1982

The President today announced his intention to nominate James L. George to be an Assistant Director of the Arms Control and Disarmament Agency (for Multilateral Affairs). He would succeed Charles Van Doren.

Since 1977 Dr. George has been professional staff member of the National Security Council, Committee on Government Operations. He is currently responsible for investigations, hearings, reports, and legislation for Legislation and National Security Subcommittee concentration on foreign affairs reorganization plans and NATO affairs.

Previously he was professional staff member for Sen. Bill Brock (R-Tenn.), Committee on Government Operations, in 1972–77, and public affairs fellow, Hoover Institution on War, Revolution, and Peace, in 1972–73.

Dr. George graduated from the United States Naval Academy (B.S., 1961) and the University of Maryland (M.A., 1969; Ph. D., 1972). He is married, has two children, and resides in Derwood, Md. He was born October 16, 1939, in Chicago, Ill.

Nomination of Norman Terrell To Be an Assistant Director of the United States Arms Control and Disarmament Agency

January 26, 1982

The President today announced his intention to nominate Norman Terrell to be an Assistant Director of the Arms Control and Disarmament Agency (for Nuclear and Weapons Control). He would succeed Thomas D. Davies.

Mr. Terrell is currently serving as Deputy Assistant Secretary of State for Science and Technology. Previously he was Director of International Affairs, NASA, in 1977–78; Assistant Director for Policy Review, U.S. Nuclear Regulatory Commission, 1975–77; Special Assistant to the Counselor, Department of State, in 1973–75; Deputy Director, Office of International Security Policy, Department of State, in 1971–73; and Deputy Staff Director, President's General Advisory Committee on Arms Control and Disarmament in 1970–71.

Mr. Terrell graduated from the University of Washington (B.A., 1958) and Oxford University, England (M.A., 1961). He is married and has three children. He was born in Ft. Worth, Tex., and is 48 years old.

Address Before a Joint Session of the Congress Reporting on the State of the Union
January 26, 1982

Mr. Speaker, Mr. President, distinguished Members of the Congress, honored guests, and fellow citizens:

Today marks my first State of the Union address to you, a constitutional duty as old as our Republic itself.

President Washington began this tradition in 1790 after reminding the Nation that the destiny of self-government and the "preservation of the sacred fire of liberty" is "finally staked on the experiment entrusted to the hands of the American people." For our friends in the press, who place a high premium on accuracy, let me say: I did not actually hear George Washington say that. [*Laughter*] But it is a matter of historic record. [*Laughter*]

But from this podium, Winston Churchill asked the free world to stand together against the onslaught of aggression. Franklin Delano Roosevelt spoke of a day of infamy and summoned a nation to arms. Douglas MacArthur made an unforgettable farewell to a country he loved and served so well. Dwight Eisenhower reminded us that peace was purchased only at the price of strength. And John F. Kennedy spoke of the burden and glory that is freedom.

When I visited this Chamber last year as a newcomer to Washington, critical of past policies which I believed had failed, I proposed a new spirit of partnership between this Congress and this administration and between Washington and our State and local governments. In forging this new partnership for America, we could achieve the oldest hopes of our Republic—prosperity for our nation, peace for the world, and the blessings of individual liberty for our children and, someday, for all of humanity.

It's my duty to report to you tonight on the progress that we have made in our relations with other nations, on the foundation we've carefully laid for our economic recovery, and finally, on a bold and spirited initiative that I believe can change the face of American government and make it again the servant of the people.

Seldom have the stakes been higher for America. What we do and say here will make all the difference to autoworkers in Detroit, lumberjacks in the Northwest, steelworkers in Steubenville who are in the unemployment lines; to black teenagers in Newark and Chicago; to hard-pressed farmers and small businessmen; and to millions of everyday Americans who harbor the simple wish of a safe and financially secure future for their children. To understand the state of the Union, we must look not only at where we are and where we're going but where we've been. The situation at this time last year was truly ominous.

The last decade has seen a series of recessions. There was a recession in 1970, in 1974, and again in the spring of 1980. Each time, unemployment increased and inflation soon turned up again. We coined the word "stagflation" to describe this.

Government's response to these recessions was to pump up the money supply and increase spending. In the last 6 months of 1980, as an example, the money supply increased at the fastest rate in postwar history—13 percent. Inflation remained in double digits, and government spending increased at an annual rate of 17 percent. Interest rates reached a staggering 21½ percent. There were 8 million unemployed.

Late in 1981 we sank into the present recession, largely because continued high interest rates hurt the auto industry and construction. And there was a drop in productivity, and the already high unemployment increased.

This time, however, things are different. We have an economic program in place, completely different from the artificial quick fixes of the past. It calls for a reduction of the rate of increase in government spending, and already that rate has been cut nearly in half. But reduced spending alone isn't enough. We've just implemented the first and smallest phase of a 3-year tax-rate reduction designed to stimulate the economy and create jobs. Already interest rates are down to 15¾ percent, but they must still go lower. Inflation is down from 12.4 percent to 8.9, and for the month of December it was running at an annualized rate of 5.2 percent. If we had not acted as we did, things would be far worse for all Americans than they are today. Inflation, taxes, and interest rates would all be higher.

A year ago, Americans' faith in their governmental process was steadily declining. Six out of 10 Americans were saying they were pessimistic about their future. A new kind of defeatism was heard. Some said our domestic problems were uncontrollable, that we had to learn to live with this seemingly endless cycle of high inflation and high unemployment.

There were also pessimistic predictions about the relationship between our administration and this Congress. It was said we could never work together. Well, those predictions were wrong. The record is clear, and I believe that history will remember this as an era of American renewal, remember this administration as an administration of change, and remember this Congress as a Congress of destiny.

Together, we not only cut the increase in government spending nearly in half, we brought about the largest tax reductions and the most sweeping changes in our tax structure since the beginning of this century. And because we indexed future taxes to the rate of inflation, we took away government's built-in profit on inflation and its hidden incentive to grow larger at the expense of American workers.

Together, after 50 years of taking power away from the hands of the people in their States and local communities, we have started returning power and resources to them.

Together, we have cut the growth of new Federal regulations nearly in half. In 1981 there were 23,000 fewer pages in the *Federal Register*, which lists new regulations, than there were in 1980. By deregulating oil we've come closer to achieving energy independence and helped bring down the cost of gasoline and heating fuel.

Together, we have created an effective Federal strike force to combat waste and fraud in government. In just 6 months it has saved the taxpayers more than $2 billion, and it's only getting started.

Together we've begun to mobilize the private sector, not to duplicate wasteful and discredited government programs, but to bring thousands of Americans into a volunteer effort to help solve many of America's social problems.

Together we've begun to restore that margin of military safety that ensures peace. Our country's uniform is being worn once again with pride.

Together we have made a New Beginning, but we have only begun.

No one pretends that the way ahead will be easy. In my Inaugural Address last year, I warned that the "ills we suffer have come upon us over several decades. They will not go away in days, weeks, or months, but they will go away . . . because we as Americans have the capacity now, as we've had it in the past, to do whatever needs to be done to preserve this last and greatest bastion of freedom."

The economy will face difficult moments in the months ahead. But the program for economic recovery that is in place will pull the economy out of its slump and put us on the road to prosperity and stable growth by the latter half of this year. And that is why I can report to you tonight that in the near future the state of the Union and the economy will be better—much better—if we summon the strength to continue on the course that we've charted.

And so, the question: If the fundamentals are in place, what now? Well, two things. First, we must understand what's happening at the moment to the economy. Our current problems are not the product of the recovery program that's only just now getting underway, as some would have you believe; they are the inheritance of decades of tax and tax and spend and spend.

Second, because our economic problems are deeply rooted and will not respond to quick political fixes, we must stick to our carefully integrated plan for recovery. That plan is based on four commonsense fundamentals: continued reduction of the growth in Federal spending; preserving the individual and business tax reductions that will stimulate saving and investment; removing unnecessary Federal regulations to spark productivity; and maintaining a healthy dollar and a stable monetary policy, the latter a responsibility of the Federal Reserve System.

The only alternative being offered to this economic program is a return to the policies that gave us a trillion-dollar debt, runaway inflation, runaway interest rates and unemployment. The doubters would have us turn back the clock with tax increases that would offset the personal tax-rate reductions already passed by this Congress. Raise present taxes to cut future deficits, they tell us. Well, I don't believe we should buy that argument.

There are too many imponderables for anyone to predict deficits or surpluses several years ahead with any degree of accuracy. The budget in place, when I took office, had been projected as balanced. It turned out to have one of the biggest deficits in history. Another example of the imponderables that can make deficit projections highly questionable—a change of only one percentage point in unemployment can alter a deficit up or down by some $25 billion.

As it now stands, our forecast, which we're required by law to make, will show major deficits starting at less than a hundred billion dollars and declining, but still too high. More important, we're making progress with the three keys to reducing deficits: economic growth, lower interest rates, and spending control. The policies we have in place will reduce the deficit steadily, surely, and in time, completely.

Higher taxes would not mean lower deficits. If they did, how would we explain that tax revenues more than doubled just since 1976; yet in that same 6-year period we ran the largest series of deficits in our history. In 1980 tax revenues increased by $54 billion, and in 1980 we had one of our alltime biggest deficits. Raising taxes won't balance the budget; it will encourage more government spending and less private investment. Raising taxes will slow economic growth, reduce production, and destroy future jobs, making it more difficult for those without jobs to find them and more likely that those who now have jobs could lose them. So, I will not ask you to try to balance the budget on the backs of the American taxpayers.

I will seek no tax increases this year, and I have no intention of retreating from our basic program of tax relief. I promise to bring the American people—to bring their tax rates down and to keep them down, to provide them incentives to rebuild our economy, to save, to invest in America's future. I will stand by my word. Tonight I'm urging the American people: Seize these new opportunities to produce, to save, to invest, and together we'll make this economy a mighty engine of freedom, hope, and prosperity again.

Now, the budget deficit this year will exceed our earlier expectations. The recession did that. It lowered revenues and increased costs. To some extent, we're also victims of our own success. We've brought inflation down faster than we thought we could, and in doing this, we've deprived government of those hidden revenues that occur when inflation pushes people into higher income tax brackets. And the continued high interest rates last year cost the government about $5 billion more than anticipated.

We must cut out more nonessential government spending and rout out more waste, and we will continue our efforts to reduce the number of employees in the Federal work force by 75,000.

The budget plan I submit to you on February 8th will realize major savings by dismantling the Departments of Energy and Education and by eliminating ineffective subsidies for business. We'll continue to redirect our resources to our two highest budget priorities—a strong national defense to keep America free and at peace and a reliable safety net of social programs for those who have contributed and those who are in need.

Contrary to some of the wild charges you may have heard, this administration has not and will not turn its back on America's elderly or America's poor. Under the new budget, funding for social insurance programs will be more than double the amount spent only 6 years ago. But it would be foolish to pretend that these or any programs cannot be made more efficient and economical.

The entitlement programs that make up our safety net for the truly needy have worthy goals and many deserving recipients. We will protect them. But there's only one way to see to it that these programs really help those whom they were designed to help. And that is to bring their spiraling costs under control.

Today we face the absurd situation of a Federal budget with three-quarters of its expenditures routinely referred to as "uncontrollable." And a large part of this goes to entitlement programs.

Committee after committee of this Congress has heard witness after witness describe many of these programs as poorly administered and rife with waste and fraud. Virtually every American who shops in a local supermarket is aware of the daily abuses that take place in the food stamp program, which has grown by 16,000 percent in the last 15 years. Another example is Medicare and Medicaid—programs with worthy goals but whose costs have increased from 11.2 billion to almost 60 billion, more than 5 times as much, in just 10 years.

Waste and fraud are serious problems. Back in 1980 Federal investigators testified before one of your committees that "corruption has permeated virtually every area of the Medicare and Medicaid health care industry." One official said many of the people who are cheating the system were "very confident that nothing was going to happen to them." Well, something is going to happen. Not only the taxpayers are defrauded; the people with real dependency on these programs are deprived of what they need, because available resources are going not to the needy, but to the greedy.

The time has come to control the uncontrollable. In August we made a start. I signed a bill to reduce the growth of these programs by $44 billion over the next 3 years while at the same time preserving essential services for the truly needy. Shortly you will receive from me a message on further reforms we intend to install—some new, but others long recommended by your own congressional committees. I ask you to help make these savings for the American taxpayer.

The savings we propose in entitlement programs will total some $63 billion over 4 years and will, without affecting social security, go a long way toward bringing Federal spending under control.

But don't be fooled by those who proclaim that spending cuts will deprive the elderly, the needy, and the helpless. The Federal Government will still subsidize 95 million meals every day. That's one out of seven of all the meals served in America. Head Start, senior nutrition programs, and child welfare programs will not be cut from the levels we proposed last year. More than one-half billion dollars has been proposed for minority business assistance. And research at the National Institute of Health will be increased by over $100 million. While meeting all these needs, we intend to plug unwarranted tax loopholes and strengthen the law which requires all large corporations to pay a minimum tax.

I am confident the economic program we've put into operation will protect the needy while it triggers a recovery that will benefit all Americans. It will stimulate the economy, result in increased savings and provide capital for expansion, mortgages for homebuilding, and jobs for the unemployed.

Now that the essentials of that program are in place, our next major undertaking must be a program—just as bold, just as innovative—to make government again accountable to the people, to make our system of federalism work again.

Our citizens feel they've lost control of even the most basic decisions made about the essential services of government, such as schools, welfare, roads, and even garbage collection. And they're right. A maze of interlocking jurisdictions and levels of government confronts average citizens in trying to solve even the simplest of problems. They don't know where to turn for answers, who to hold accountable, who to praise, who to blame, who to vote for or against. The main reason for this is the overpowering growth of Federal grants-in-aid programs during the past few decades.

In 1960 the Federal Government had 132 categorical grant programs, costing $7 billion. When I took office, there were approximately 500, costing nearly a hundred billion dollars—13 programs for energy, 36 for pollution control, 66 for social services, 90 for education. And here in the Congress, it takes at least 166 committees just to try to keep track of them.

You know and I know that neither the President nor the Congress can properly oversee this jungle of grants-in-aid; indeed, the growth of these grants has led to the distortion in the vital functions of government. As one Democratic Governor put it recently: The National Government should be worrying about "arms control, not potholes."

The growth in these Federal programs has—in the words of one intergovernmental commission—made the Federal Government "more pervasive, more intrusive, more unmanageable, more ineffective and costly, and above all, more [un]accountable." Let's solve this problem with a single, bold stroke: the return of some $47 billion in Federal programs to State and local government, together with the means to finance them and a transition period of nearly 10 years to avoid unnecessary disruption.

I will shortly send this Congress a message describing this program. I want to emphasize, however, that its full details will have been worked out only after close consultation with congressional, State, and local officials.

Starting in fiscal 1984, the Federal Government will assume full responsibility for the cost of the rapidly growing Medicaid program to go along with its existing responsibility for Medicare. As part of a financially equal swap, the States will simultaneously take full responsibility for Aid to Families with Dependent Children and food stamps. This will make welfare less costly and more responsive to genuine need, because it'll be designed and administered closer to the grassroots and the people it serves.

In 1984 the Federal Government will apply the full proceeds from certain excise taxes to a grassroots trust fund that will belong in fair shares to the 50 States. The total amount flowing into this fund will be $28 billion a year. Over the next 4 years the States can use this money in either of two ways. If they want to continue receiving Federal grants in such areas as transportation, education, and social services, they can use their trust fund money to pay for the grants. Or to the extent they choose to forgo the Federal grant programs, they can use their trust fund money on their own for those or other purposes. There will be a mandatory pass-through of part of these funds to local governments.

By 1988 the States will be in complete control of over 40 Federal grant programs. The trust fund will start to phase out, eventually to disappear, and the excise taxes will be turned over to the States. They can then preserve, lower, or raise taxes on their own and fund and manage these programs as they see fit.

In a single stroke we will be accomplishing a realignment that will end cumbersome administration and spiraling costs at the Federal level while we ensure these programs will be more responsive to both the people they're meant to help and the people who pay for them.

Hand in hand with this program to strengthen the discretion and flexibility of State and local governments, we're proposing legislation for an experimental effort to improve and develop our depressed urban areas in the 1980's and '90's. This legislation will permit States and localities to apply to the Federal Government for designation as urban enterprise zones. A broad range of special economic incentives in the zones will help attract new business, new jobs, new opportunity to America's inner cities and rural towns. Some will say our mission is to save free enterprise. Well, I say we must *free* enterprise so that together we can save America.

Some will also say our States and local communities are not up to the challenge of a new and creative partnership. Well, that might have been true 20 years ago before reforms like reapportionment and the Voting Rights Act, the 10-year extension of which I strongly support. It's no longer true today. This administration has faith in State and local governments and the constitutional balance envisioned by the Founding Fathers. We also believe in the integrity, decency, and sound, good sense of grassroots Americans.

Our faith in the American people is reflected in another major endeavor. Our private sector initiatives task force is seeking out successful community models of school, church, business, union, foundation, and civic programs that help community needs. Such groups are almost invariably far more efficient than government in running social programs.

We're not asking them to replace discarded and often discredited government programs dollar for dollar, service for service. We just want to help them perform the good works they choose and help others to profit by their example. Three hundred and eighty-five thousand corporations and private organizations are already working on social programs ranging from drug rehabilitation to job training, and thousands more Americans have written us asking how they can help. The volunteer spirit is still alive and well in America.

Our nation's long journey towards civil rights for all our citizens—once a source of discord, now a source of pride—must continue with no backsliding or slowing down. We must and shall see that those basic laws that guarantee equal rights are preserved and, when necessary, strengthened.

Our concern for equal rights for women is firm and unshakable. We launched a new Task Force on Legal Equity for Women and a Fifty States Project that will examine State laws for discriminatory language. And for the first time in our history, a woman sits on the highest court in the land.

So, too, the problem of crime—one as real and deadly serious as any in America today. It demands that we seek transformation of our legal system, which overly protects the rights of criminals while it leaves society and the innocent victims of crime without justice.

We look forward to the enactment of a responsible clean air act to increase jobs while continuing to improve the quality of our air. We're encouraged by the bipartisan initiative of the House and are hopeful of further progress as the Senate continues its deliberations.

So far, I've concentrated largely, now, on domestic matters. To view the state of the Union in perspective, we must not ignore the rest of the world. There isn't time tonight for a lengthy treatment of social—or foreign policy, I should say, a subject I intend to address in detail in the near future. A few words, however, are in order on the progress we've made over the past year, reestablishing respect for our nation around the globe and some of the challenges and goals that we will approach in the year ahead.

At Ottawa and Cancún, I met with leaders of the major industrial powers and developing nations. Now, some of those I met with were a little surprised that I didn't apologize for America's wealth. Instead, I spoke of the strength of the free marketplace system and how that system could help them realize their aspirations for economic development and political freedom. I believe lasting friendships were made, and the foundation was laid for future cooperation.

In the vital region of the Caribbean Basin, we're developing a program of aid, trade, and investment incentives to promote self-sustaining growth and a better, more secure life for our neighbors to the south. Toward those who would export terrorism and subversion in the Caribbean and elsewhere, especially Cuba and Libya, we will act with firmness.

Our foreign policy is a policy of strength, fairness, and balance. By restoring America's military credibility, by pursuing peace at the negotiating table wherever both sides are willing to sit down in good faith, and by regaining the respect of America's allies and adversaries alike, we have strengthened our country's position as a force for peace and progress in the world.

When action is called for, we're taking it. Our sanctions against the military dictatorship that has attempted to crush human rights in Poland—and against the Soviet regime behind that military dictatorship—clearly demonstrated to the world that America will not conduct "business as usual" with the forces of oppression. If the events in Poland continue to deteriorate, further measures will follow.

Now, let me also note that private American groups have taken the lead in making January 30th a day of solidarity with the people of Poland. So, too, the European Parliament has called for March 21st to be an international day of support for Afghanistan. Well, I urge all peace-loving peoples to join together on those days, to raise their voices, to speak and pray for freedom.

Meanwhile, we're working for reduction of arms and military activities, as I announced in my address to the Nation last November 18th. We have proposed to the Soviet Union a far-reaching agenda for mutual reduction of military forces and have already initiated negotiations with them in Geneva on intermediate-range nuclear forces. In those talks it is essential that we negotiate from a position of strength. There must be a real incentive for the Soviets to take these talks seriously. This requires that we rebuild our defenses.

In the last decade, while we sought the moderation of Soviet power through a process of restraint and accommodation, the Soviets engaged in an unrelenting buildup of their military forces. The protection of our national security has required that we undertake a substantial program to enhance our military forces.

We have not neglected to strengthen our traditional alliances in Europe and Asia, or to develop key relationships with our partners in the Middle East and other countries. Building a more peaceful world requires a sound strategy and the national resolve to back it up. When radical forces threaten our friends, when economic misfortune creates conditions of instability, when strategically vital parts of the world fall under the shadow of Soviet power, our response can make the difference between peaceful change or disorder and violence. That's why we've laid such stress not only on our own defense but on our vital foreign assistance program. Your recent passage of the Foreign Assistance Act sent a signal to the world that America will not shrink from making the investments necessary for both peace and security. Our foreign policy must be rooted in realism, not naivete or self-delusion.

A recognition of what the Soviet empire is about is the starting point. Winston Churchill, in negotiating with the Soviets, observed that they respect only strength and resolve in their dealings with other nations. That's why we've moved to reconstruct our national defenses. We intend to keep the peace. We will also keep our freedom.

We have made pledges of a new frankness in our public statements and worldwide broadcasts. In the face of a climate of falsehood and misinformation, we've promised the world a season of truth—the truth of our great civilized ideas: individual liberty, representative government, the rule of law under God. We've never needed walls or minefields or barbed wire to keep our people in. Nor do we declare martial law to keep our people from voting for the kind of government they want.

Yes, we have our problems; yes, we're in a time of recession. And it's true, there's no quick fix, as I said, to instantly end the tragic pain of unemployment. But we will end it. The process has already begun, and we'll see its effect as the year goes on.

We speak with pride and admiration of that little band of Americans who overcame insuperable odds to set this nation on course 200 years ago. But our glory didn't end with them. Americans ever since have emulated their deeds.

We don't have to turn to our history books for heroes. They're all around us. One who sits among you here tonight epitomized that heroism at the end of the longest imprisonment ever inflicted on men of our Armed Forces. Who will ever forget that night when we waited for television to bring us the scene of that first plane landing at Clark Field in the Philippines, bringing our POW's home? The plane door opened and Jeremiah Denton came slowly down the ramp. He caught sight of our flag, saluted it, said, "God bless America," and then thanked *us* for bringing him home.

Just 2 weeks ago, in the midst of a terrible tragedy on the Potomac, we saw again the spirit of American heroism at its finest—the heroism of dedicated rescue workers saving crash victims from icy waters. And we saw the heroism of one of our young government employees, Lenny Skutnik, who, when he saw a woman lose her grip on the helicopter line, dived into the water and dragged her to safety.

And then there are countless, quiet, everyday heroes of American life—parents who sacrifice long and hard so their children will know a better life than they've known; church and civic volunteers who help to feed, clothe, nurse, and teach the needy; millions who've made our nation and our nation's destiny so very special—unsung heroes who may not have realized their own dreams themselves but then who reinvest those dreams in their children. Don't let anyone tell you that America's best days are behind her, that the American spirit has been vanquished. We've seen it triumph too often in our lives to stop believing in it now.

A hundred and twenty years ago, the greatest of all our Presidents delivered his second State of the Union message in this Chamber. "We cannot escape history," Abraham Lincoln warned. "We of this Congress and this administration will be remembered in spite of ourselves." The "trial through which we pass will light us down, in honor or dishonor, to the latest [last] generation."

Well, that President and that Congress did not fail the American people. Together they weathered the storm and preserved the Union. Let it be said of us that we, too, did not fail; that we, too, worked together to bring America through difficult times. Let us so conduct ourselves that two centuries from now, another Congress and another President, meeting in this Chamber as we are meeting, will speak of us with pride, saying that we met the test and preserved for them in their day the sacred flame of liberty—this last, best hope of man on Earth.

God bless you, and thank you.

Note: The President spoke at 9 p.m. in the House Chamber at the Capitol. He was introduced by Thomas P. O'Neill, Jr., Speaker of the House of Representatives. The address was broadcast live on nationwide radio and television.

Message to the Senate Transmitting a Protocol to the North Atlantic Treaty

January 26, 1982

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of a protocol to the North Atlantic Treaty on the accession of Spain, signed in Brussels on December 10, 1981 on behalf of the United States and the other parties to the North Atlantic Treaty. I transmit also for the information of the Senate the report made to me by the Secretary of State regarding this matter.

Spain's rededication to the values and purposes underlying the North Atlantic Treaty, and her decision to seek full partnership in the effort to maintain Western security, are historic developments and a source of inspiration in these troubled times. Spain's strategic location, and human and material resources, will make a major contribution to the security of the Alliance. Accordingly, I urge that the Senate give early and favorable consideration to this protocol.

RONALD REAGAN

The White House,
January 26, 1982.

Note: The text of the message was released by the Office of the Press Secretary on January 27.

Remarks and a Question-and-Answer Session at a White House Briefing for Members of the Association of Independent Television Stations

January 27, 1982

The President. Mr. Cooper, I thank you, and I thank all of you very much. I'm very proud to have that, and now that I've gotten back on prime-time television—[*laughter*]—not just the late, late show. Somebody asked me once what it was like seeing myself on the late, late show, and I said it was like looking at a son I never knew I had. [*Laughter*] I appreciate that award and for what it says about communication. I'd say I'm at a loss for words, but then you'd take the award back. [*Laughter*]

I've been kidded a few times because I now and then praise silent Cal Coolidge. He was a real communicator. He was having his hair cut once in a one-chair barbershop up in Vermont, and the town doctor came in, sat down, and said, "Cal, did you take the pills that I gave you?" And Coolidge said nothing for a minute or two, and then in his usual, articulate style, he said, "Nope." And a little later the doctor asked, "Well, are you feeling any better?" Another long silence and then he said, "Yup." Well, his haircut was finished, and he started to leave. And the barber hesitantly said, "Well, aren't you forgetting something?" And an embarrassed Coolidge replied, "Oh, yeah. I'm sorry, I forgot to pay you. I was so busy gossiping with the doctor, it slipped my mind." [*Laughter*]

You probably haven't heard, but I tried some communicating just last night, and I hope the message finally got across. The message was that I want to reduce taxes, not raise them. You know, I sometimes think that government is like that definition—an old definition of a baby. It's an alimentary canal with an appetite at one end and no sense of responsibility at the other. [*Laughter*] The government is currently experiencing withdrawal symptoms, and we mustn't feed the habit by injecting more tax dollars into it—dollars that should be creating new jobs and opportunity in the private sector.

I also hope that last night I conveyed our enthusiasm and determination to undertake programs in our second year that are just as bold as those in our first. The Federal Government has tried to run the States as clones of itself, or at least, mere administrative districts of the Federal Government. By returning certain Federal programs and the means to finance them to the States, these programs can be made less costly and more responsive to the people's needs.

Those who still advocate far-removed Federal solutions are dinosaurs, mindlessly carrying on as they always have, unaware that times have changed. We're attempting to improve the Federal system so that government can meet the needs of today instead of deepening the mistakes of the past.

The Members of Congress, I must say, were so friendly and warm last night that I almost said, "Why don't you just pass everything now, and I'll sign it before I leave." [*Laughter*] But I don't think it's going to be that easy now that daylight has hit. But even if the road is rough, we know it's the right one, and I think we're further down it than we were a year ago.

And now to undo all the good work that's been done, I understand that I have a little time left here and that I can take some questions, which I delight in doing.

Yes.

Legal System

Q. Mr. President, many of us in the private sector—I'm Dick Dean from Allentown, Pennsylvania—many of us are extremely proud of the initiatives you've taken last night. I for one questioned whether I'd live long enough to see a transformation like this at least attempted. And I thank you very much.

I have a question for you with regard to the question on our legal system, which overly protects the rights of the—as you said—the criminals and doesn't necessarily protect the innocent people with the same vigor. How can you practically transform this? Can we actually anticipate a change in this? I think the American people have had it up to here with this problem.

The President. Granted that most law enforcement is, of course, at the local and State level. The laws, when a person commits a felony, he's violated State laws, and he's tried at that level. I do think there is something the Federal Government can do. There are areas in which we can work.

For example, the case law now with regard to evidence that might have been gained at the expense of violating some constitutional rights—this is not a law of the land. This is a case law based on judicial decisions. And what it really means is that suppose someone—well, it can be as bald as this, that someone, a policeman stops a car for a traffic violation and finds a sack of dope on the seat of the car. Under the present case law, they can't introduce that—he can't arrest that man for a dope violation and use that dope as evidence, because he stopped the man for a traffic violation. Well, we think that there are ways to protect the constitutional rights of the citizens and yet at the same time allow evidence to be introduced into court.

The classic case of all time took place in California several years ago. Two of the narcotics squad had a warrant, based on enough evidence to get a warrant, to search a home where men and women were believed to be peddling heroin. And they searched the home, and they couldn't find the heroin. And on the way out, just on a hunch, one of them turned back, the baby was there in the crib, and took down the baby's diapers. And there, stashed in the diapers, was the heroin. The case was thrown out of court, because the baby hadn't given its permission to be searched.

So, this is the type of thing that I believe at the Federal level by legislation we can change some things and make it better.

Yes.

Views on the Presidency

Q. Mr. President, Herb Victor, Field Communications, San Francisco, California. First, thank you for calling Coach Walsh last Sunday. [*Laughter*]

A question, sir. Birthday for you and for me—we share the same birthday—is coming up shortly for you. How do you feel? And are you thinking about your second term? [*Laughter*]

The President. Well, the answer to the first question is I've never felt better in my life. And I just recently had my annual physical checkup—having a father-in-law for a doctor, that's been a habit of mine ever since marriage—and they confirmed that. We have a little gym over there in the White House, and I finish every day with a daily workout there—make up for sitting in that Oval Office all day.

Now, the second-term thing, that is something that I have always said the people tell you, whether it's the first or the second term, whether you should run or not. So, I'll let you know more when I see how the people feel about it at the end of 4 years. If I don't, I feel so good that.I may apply for a scholarship, a football scholarship at Notre Dame. [*Laughter*]

Labor-Management Relations

Q. Mr. President, Arch Chapman, WDRB-TV in Louisville.

Recently, everybody has admired the way the administration handled the PATCO situation. Now we are seeing unions that are being asked to go into negotiations with companies to reverse some of the gains they have made over the past number of years. Do you see an encouragement towards bringing unions down within this country, and is your administration backing a lowering of the union standards?

The President. And I think this is—and I told Mr. Fraser [1] and I told the heads of the automobile companies when I met with them that I think this is an evidence that we've seen now of real statesmanship in labor-management relations.

Samuel Gompers, who started the whole thing and founded the American Federation of Labor, always insisted that management and labor were partners in the same system. He was utterly opposed to government intervention and so forth. He was also opposed to compulsory unionism, incidentally. But he said that the greatest sin that management can commit on the worker is to not make a profit. And this effort now to make us competitive once again and the fact that our foreign competitors can deliver a car and put it here in a salesroom in America for $1600 less than we can make them indicates that we've got to do something to get back competitive. And the fact that labor now is willing to come in and say, "Let's find a meeting ground here," I think is a most encouraging sign.

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[1] *Douglas A. Fraser, president of the United Auto Workers.*

And I was a president of my own union six times in Hollywood, and I still believe that we did drift and have drifted—and maybe we're now getting over it—drifted too far with labor forgetting that it has a responsibility to keep the industry in which they're employed healthy.

Television and Motion Pictures

Q. President Reagan, Steven Newton from the Christian Broadcasting Network in Virginia Beach.

Looking at our industry for a moment, the television industry which you're so aware of, what is your opinion of the types of programing that are being broadcast today in comparison to, say, the day when you were making films? And would you like to see a return to a more wholesome type programing?

The President. I think you all heard that. [*Laughter*]

Well, let me say this. This is just my own personal opinion of what is happening. First of all, I'm not very happy about the industry that I used to be in before television, motion pictures, and the type of pictures today. I liked it better when the actors kept their clothes on. And I think, frankly, that some of what we're doing—it isn't just morals; I think it's lousy theater.

The oldest rule of theater is that nothing you can do on the stage or screen is as good and effective as the audience's imagination. And we have taken that away from the audience. We just don't leave anything undone or unshown anymore. No one has to imagine—just sit and look and let it flow in.

What I fear about television is that—knowing as you all do that dependency for a lot of filler time is based on the resale of motion pictures to television—and it seems to me that there's been a tendency to begin to condition the people in the home for the kind of movies that are going to be the only thing available as we get through the backlog of old ones. And I wish that the industry would stand up and fight back.

The motion picture industry most people—I'm probably the only one here that can remember this—but back at the turn of silent and sound, but while we were still looking at silent pictures, motion pictures had gotten just about to the state they are now, and there was no imposed censorship. What happened was the people who paid to see them—and it was a family entertainment; Mom and Pop took the kids to the movies—and they just stood up and said, not only to theater owners but to the motion picture industry, "We're not going to come see your pictures anymore."

And the industry hired Will Hays away from baseball. He had been hired by baseball after the scandal in the World Series, where the gamblers had influenced the outcome, and he cleaned up baseball. Well, they hired him away. And Will Hays took the job of dictating a voluntary code for the motion picture industry, and he said, "There must be no questioning. I will be final arbiter." And for years and years the motion pictures were released with a little line on them at the bottom that said, "With the Motion Picture Producers' Seal of Approval."

And the rules were laid down and many times making them—we thought they were kind of restrictive, and sometimes we would grumble, but they kept pictures—we told adult stories. You look at older pictures today—the adult can understand them, but you wouldn't be embarassed if a child were with you in seeing that picture. And yet, there was never so much as a "hell" or a "damn" used in those. And I think that motion pictures are what made single beds popular because—[*laughter*]—one of the rules that most people didn't realize was you could not show two people, even married, in a bed together.

I played a picture in which Doris Day was my wife. I played Grover Cleveland Alexander, and there was a picture in which we were supposed to be in bed together in our little farmhouse. And the audience will never know that they never saw us together. They saw me looking out the window awake in the night, saw the Moon—I'd had double vision and realized that suddenly I was only seeing one Moon. So, I looked over my shoulder and then very quietly got out of bed, put on a robe, and started around the foot of the bed. And then you saw Doris lying there asleep in the other side of the bed. But you never saw the two of us in bed together. [*Laughter*]

And just one last incident. How many of us remember that in that great picture "Gone With the Wind" that Clark Gable's famous line in which he said, "Frankly, my dear, I don't give a . . ."? He fought and finally the industry—he said there is no other way that you can have this character say a line and not use that word. And finally the motion picture industry gave a special waiver and allowed him to use that one word.

Well, I'd like to see those days back, and I think that all of you'd be better off also, because the entertainment you deliver is in people's living rooms where the family is gathered together. And I think that must always be kept in mind.

I know that Karna's going to tell me, "One more." Yes, there was a hand.

Federal Communications Commission

Q. Kevin O'Brien, Cincinnati, Ohio.

Mr. President, we heard from Mark Fowler at lunch yesterday, and I'd like to congratulate you for such an intelligent, astute job of picking him as your Commissioner. I thing he's outstanding. And I just hope that you will continue to support him to unburden broadcasters from the very restrictive governmental policies of the past. I hope you'd do that in the future.

The President. I can guarantee you I'll tell him, because if there's one thing that this administration is dedicated to doing—and we've been pretty successful as far as we've gone—and that is we want to take the unnecessary rules, regulations, and restrictions off the backs of the people in the private sector and local government. And I think it's time to free the Americans again.

Thank you all very much. It's been a pleasure. Thank you.

Note: The President spoke at 10:08 a.m. in Room 450 of the Old Executive Office Building. Prior to his remarks, Sheldon Cooper, chairman of the board of the association, presented the President with a glass statuette of a transmitter tower for "excellence in communication."

Karna Small Stringer is Deputy Assistant to the President and Director of Media Relations and Planning.

Nomination of Fred J. Eckert To Be United States Ambassador to Fiji, Kiribati, Tonga, and Tuvalu

January 27, 1982

The President today announced his intention to nominate Fred J. Eckert, of New York, to be Ambassador to Fiji, to the Republic of Kiribati, to the Kingdom of Tonga, and to Tuvalu. He would succeed William Bodde, Jr.

Mr. Eckert was assistant director of mass communications at the Catholic Foreign Mission Society of America in Ossining, N.Y., in 1964–65. He was a public relations specialist at General Foods Corp. in White Plains, N.Y., in 1965–67 and an account executive at Rumrill-Hoyt (advertising agency) in Rochester, N.Y., in 1967–69. In 1970–73 he was supervisor of the town of Greece, N.Y. Since 1973 he has been president of Eckert Associates, Inc. (advertising agency) in Rochester, N.Y., and also since 1973 he has served as a New York State senator in Albany.

Mr. Eckert graduated from North Texas State University (B.A., 1965). He is married, has three children, and resides in Rochester, N.Y. He was born May 6, 1941, in Rochester.

Announcement of the United States Delegation to the Inauguration of Roberto Suazo Córdova as President of Honduras

January 27, 1982

On Wednesday, January 27th, Dr. Roberto Suazo Córdova will be inaugurated as President of the Republic of Honduras. Dr. Suazo was chosen for his office in a free and democratic election held on November 29. We regard that election, which completed the return to civilian government from military rule, to be an excellent example for the region.

To represent him at the inauguration, the President has chosen the following delegation:

Senator Jesse A. Helms of North Carolina, Head of Delegation;

Representative William F. Goodling of Pennsylvania;

Representative Robert Lagomarsino of California;

Ambassador Thomas O. Enders, Assistant Secretary of State for Inter-American Affairs;

Elliott Abrams, Assistant Secretary of State for Human Rights and Humanitarian Affairs;

Ambassador John D. Negroponte, Ambassador to Honduras;

Lt. Gen. Wallace H. Nutting, Commander in Chief, United States Southern Command;

Roger Fontaine, National Security Council;

F. Frederick Brown, president of Brown, Stevens, Elmore & Sparre, Sacramento, Calif.;

Dr. Alfred Marquez, physician and surgeon, of San Francisco, Calif.;

Miguel Gomez, Department of Revenue, State of Nebraska.

Executive Order 12342—Environmental Safeguards for Animal Damage Control on Federal Lands

January 27, 1982

By virtue of the authority vested in me as President by the Constitution and statutes of the United States of America, and in order to permit effective predator control with environmental safeguards under Federal statutory programs, Executive Order No. 11643, as amended, is hereby revoked.

RONALD REAGAN

The White House,
January 27, 1982.

[*Filed with the Office of the Federal Register, 11:33 a.m., January 28, 1982*]

Note: The text of the Executive order was released by the Office of the Press Secretary on January 28.

Executive Order 12343—Designation of Certain Officers To Act as Secretary of State

January 27, 1982

By the authority vested in me as President of the United States of America by Section 3347 of Title 5 and Section 301 of Title 3 of the United States Code, it is hereby ordered as follows:

Section 1. During any period when, by reason of absence, disability, or vacancy in office, neither the Secretary of State nor the Deputy Secretary of State, is available to exercise the powers or perform the duties of the Office of the Secretary, an officer from the Department of State who has been appointed by the President, by and with the advice and consent of the Senate, in such order as the Secretary of State may from time to time prescribe, shall act as Secretary. If no such order of succession is in effect at that time, then such officers shall act as Secretary in descending order of rank, as established by the listing of their offices in Sections 5314 or 5315 of Title 5 of the United States Code, and at each level of the Exective Schedule in the order in which they shall have taken the oath as such officers.

Sec. 2. The President may at any time, pursuant to law but without regard to the foregoing provisions of this Order, direct that an officer specified by the President shall act as Secretary of State.

Sec. 3. Executive Order No. 10839 is revoked.

RONALD REAGAN

The White House,
January 27, 1982.

[*Filed with the Office of the Federal Register, 11:34 a.m., January 28, 1982*]

Note: The text of the Executive order was released by the Office of the Press Secretary on January 28.

Letter to the Speaker of the House and the Chairman of the Senate Foreign Relations Committee Reporting on the Cyprus Conflict

January 28, 1982

Dear Mr. Speaker: (Dear Mr. Chairman:)

In accordance with the provision of Public Law 95–384, I am submitting the following report on progress made during the past sixty days toward reaching a negotiated settlement of the Cyprus problem.

Following presentation of the United Nations "evaluation" of the intercommunal negotiations on November 18, 1981 the Greek Cypriots and Turkish Cypriots have begun to discuss the "evaluation" and identify points of agreement. The negotiators met on December 2 and 8, 1981, and following a recess at the end of the year, on January 6, 13 and 20, 1982. While doubtlessly the issues are complex and will require the best efforts of both Greek and Turkish Cypriots to resolve, we hope that continued negotiations will lead to a mutually acceptable resolution of the Cyprus problem.

As you recall, resolution of the Cyprus problem is a priority of this Administration. In this regard, I met with Cypriot President Kyprianou on December 8, 1981, for a useful and productive exchange of views. The United States remains fully committed to assisting in achieving a just and lasting Cyprus settlement and will continue to give its full support to the United Nations and the UN Secretary General's Special Representative on Cyprus, Ambassador Hugo Gobbi, in their efforts to secure solutions to the negotiating differences separating the parties.

The United Nations has continued to pay close attention to developments on Cyprus. In his December 12, 1981 report on Cyprus, the Secretary General hoped the introduction of the UN "evaluation" would "mark the beginning of a new and fruitful phase in the long search for a negotiated settlement." He stressed the need for a "concrete and effective" negotiating process and expressed the opinion that the UN "evaluation" embodies a "determined effort to lend structure and substance" to the negotiating process.

I am also pleased to note that on December 14, 1981, the Security Council passed unanimously a resolution extending the mandate of the UN Peace-keeping Force in Cyprus (UNFICYP) to June 15, 1982. We share with other Security Council members the conviction that UNFICYP's presence aids in maintaining an atmosphere conducive to productive intercommunal discussions.

Sincerely,

RONALD REAGAN

Note: This is the text of identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Charles H. Percy, chairman of the Senate Foreign Relations Committee.

Statement Announcing the Establishment of a Federal Anticrime Task Force for Southern Florida

January 28, 1982

During the past few years, the once tranquil area of south Florida has become a landing area for hundreds of thousands of refugees and the Nation's major terminal for the smuggling of illegal drugs into the United States.

Many of those who fled to our land came out of desperation—a desperation inflicted upon them by a dictator who tolerates no freedoms nor allows human rights. The overwhelming majority of these refugees are freedom-loving, peaceful people. Most have resettled in new homes and in new communities in order to build a better life for themselves and for their families. In the years to come they will take their place alongside the millions of others who came before them in making ours a greater land. Unfortunately, a very small percentage pursued a life of crime and violence that victimized their neighbors in their homeland and even today continue this intolerable behavior in south Florida. Combined with the related criminal activities of drug trafficking, the nearly 2 million people of south Florida are unfairly burdened financially in addition to being denied their constitutional right to live in peace without fear and intimidation.

Massive immigration, rampant crime, and epidemic drug smuggling have created a serious problem. Therefore, it is my belief that the Federal Government has a special responsibility to fill in temporarily and do what it can to reduce and, hopefully, eliminate these problems.

The effort to ameliorate this problem will require the full cooperation and support of many Federal departments and agencies. To coordinate this effort, I am today announcing the establishment of a special task force, headed by Vice President George Bush, to analyze the problems and determine what steps we must take during the period of aggravated crime incidence. This task force will be similar to the one we established for the city of Atlanta. During the period of maximum need, it will coordinate the efforts of the Federal Government and make recommendations and decisions regarding our course of action.

Secretaries Haig, Weinberger, Regan, Lewis, Attorney General Smith, and Presidential Counsellor Edwin Meese will serve as members of the task force. A working group will be headed by Adm. Daniel Murphy, the Vice President's Chief of Staff, and personal representatives of these principals.

The current situation in south Florida is unique. With hundreds and hundreds of miles of coastline, and as the southernmost point of our country located in the Caribbean, it has experienced difficulties that no other community could ever anticipate.

The work of the task force begins today. We seek to assist the people of this region in their efforts to achieve an early restoration of their community and their lives to the normalcy they deserve.

Remarks to the European Management Forum Symposium in Davos, Switzerland

January 28, 1982

Greetings to all of you attending the European Management Forum. On behalf of the American people, please accept our very best wishes for the new year. I would have liked to meet with you personally, but I am glad Ambassador Brock will be in Davos representing our administration.

As we begin 1982, we know these are times of testing in our relations. Together we face new perils of repression in the East and problems of weak growth in our own countries. Unless we are careful, these stresses could divide rather than unite us. They could combine with a sense of the complexity of modern life to produce skepticism and fear—a turning away from the sources of our strength.

Let us resolve that this must not and will not happen. The values and principles we share—faith in God, devotion to the rule of law, human rights, and economic liberty—are the foundation of Western civilization. They give life to the spirit of freedom and nourish the dreams of millions of oppressed around the world.

Our values and principles have never failed us—when we have lived up to them. Think back over the past 35 years. They have been remarkable years of peace, prosperity, and progress—years in which America and Europe have grown together to new heights of community and commerce.

We need to remember that despite the problems we face, we are strong, secure, and stable democracies. We need to remind ourselves that when we stood together in the past, we performed great feats. We can do it again; we can meet any challenge if we remain true to each other and to the beliefs we share.

In America, we are trying to do this. We have relearned one lesson we should have never forgotten: that only by rewarding personal initiative and insisting government live within its means can we save the spirit of enterprise and risk-taking so essential to economic progress, human fulfillment, and the preservation of freedom itself.

There is no other way. Higher government spending and taxation do not work. Protectionist tariffs do not work. Always they are sold as short-term solutions. But inevitably, a quick-fix leads to long-term addiction, and in this case, the disease of higher interest rates, inflation, and economic stagnation nearly destroyed our economy.

The United States has turned an historic corner. We have put together the greatest collection of incentives in 50 years to help Americans rebuild our economy and restore their financial security. These reforms are just beginning. They won't work overnight. But they *will* work, and savings, investment, and productivity growth will revive.

No one appreciates the role of personal initiative and incentives better than you, the entrepreneurial leaders of Europe. We are impressed by the talent and treasure of your industry and commerce. We look to you to initiate the revival we seek, to overcome the fears that some betray, and to reignite the spirit of independence and individual freedom we need.

Some say it is dangerous to push for dramatic reforms in a period of instability. But I believe it is dangerous not to. There will always be a crisis. There may not always be an opportunity.

As we strive for economic recovery, we are strengthening our defenses so America can work with your countries as a trustee of freedom and peace. We will work with our allies in a spirit of equality and consultation. There will never be complete agreement on all issues, nor should there be. We are sovereign nations. But let us remain unified and resolved on the essential: that above all, the Atlantic Alliance was built for the defense of Europe, and that it's because we've worked together for more than 30 years to keep the Alliance strong that Europe has remained at peace, free to grow and prosper.

Today we face a new challenge in Poland. Soviet-sponsored repression brings fresh evidence of the failure and inflexibility of their totalitarian system. Sixty-five years after their revolution, they still need the West to feed their people; they need our credits and technology to run their industries; and they remain so frightened of freedom they need walls, minefields, barbed wire and guns to keep their people in.

It is a measure of our strength that we would never declare martial law to prevent our citizens from voting for the kind of government they want. It would be a sign of our weakness if we tied our future too closely to the system that must.

Let me leave you with the words of a man who grew up in Germany and later moved to the United States—a man who never stopped leading us to new frontiers in space and time. His name was Albert Einstein, and he said, "Everything that is really great and inspiring is created by the individual who can labor in freedom."

This is the wonderful heritage we share—entrusted to us to stand by, to protect, and one day, to pass on.

Thank you, and God bless you all.

Note: The President's remarks were recorded for use at the symposium.

Remarks at a White House Luncheon Celebrating the Centennial of the Birth of Franklin Delano Roosevelt

January 28, 1982

Well, I know everyone here must have been bathed in nostalgia in this film that we've just taken and so magnificently narrated by David. I did say to him after the film went off that there were a couple of times there when I thought he could have sloughed over the word "Republican"—[*laughter*]—better than he did.

Gathered here as we are for a special occasion, I have to use a term right now that is reminiscent of a period really that had to do with that occasion, and use a statement, "We interrupt the regularly scheduled program for a special bulletin." I won't say "news flash," because I'm sure that you've all heard the good news already, but I would like to comment.

Earlier this morning the Italian police rescued Brigadier General James Dozier. They rescued him from the terrorist hideaway in Padua where he had been held captive. His 42-day-long ordeal has come to a happy ending, and the prayers of millions of Americans have been answered. I've spoken with the general by telephone, and I'm happy to relay his report that he's in fine shape. And I can tell you that just hearing him—I told Nancy he sounded as if he'd just gone down to the corner for 5 minutes. [*Laughter*]

The same courage and resolve that James Dozier demonstrated on the battlefield in wartime have seen him through this new test with flying colors. His country and our allies can be very proud of this gallant man.

I've also talked with President Pertini of Italy and expressed America's appreciation for the dedicated and effective work of the Italian authorities in tracking down General Dozier's kidnapers and saving his life. They, too, have acquitted themselves with honor.

His rescue is welcome news for all those who believe in the rule of law and the defense of our free institutions. We all share in the joy of his family at the return to freedom of a courageous soldier whose life has been dedicated to the defense of liberty.

And now, back to the regularly scheduled program. [*Laughter*]

It's a pleasure to greet such a distinguished company in the White House on this very special occasion. For most of you, I know this is a return visit, the most recent of many. Each of your lives was intertwined with one of the most famous residents of this house. You, too, are a part of its history. So, as the latest tenants in the People's House, Nancy and I welcome you back.

We're all here today to mark the centennial of one of history's truly monumental figures, Franklin Delano Roosevelt. Historians still debate the details of his intentions, his policies and their impact. But all agree that, like the Founding Fathers before him, F. D. R. was an American giant, a leader who shaped, inspired, and led our people through perilous times. He meant many different things to many different people. He could reach out to men and women of diverse races and backgrounds and inspire them with new hope and new confidence in war and peace.

Franklin Roosevelt was the first President I ever saw. I remember the moment vividly. It was in 1936, a campaign parade in Des Moines, Iowa. What a wave of affection and pride swept through that crowd as he passed by in an open car—which we haven't seen a President able to do for a long time—a familiar smile on his lips, jaunty and confident, drawing from us reservoirs of confidence and enthusiasm some of us had forgotten we had during those hard years. Maybe that was F. D. R.'s greatest gift to us. He really did convince us that the only thing we had to fear was fear itself.

One of our guests today, Senator Jennings Randolph, who served in the Congress during the New Deal, summed it up very well in a recent interview. Senator Randolph recalled of Franklin Roosevelt, "He lifted us up with a sense of joy. But I think his greatest contribution was that we discovered ourselves as individuals. I count. That was his contribution. Each of us could say, 'I count.'"

But, of course, not quite everybody agreed at the time. How well I recall the criticisms from F. D. R.'s first campaign for the nomination to the end of his last term. No less a pundit than Walter Lippmann wrote Franklin Roosevelt off at the starting line, dismissing him as, "a pleasant man, who, without any important qualifications for the office, would very much like to be President." Forgive me but now and then I think I've been hearing an echo. [*Laughter*]

F. D. R. was denounced by some as a traitor to his class. But people who said that missed the whole point of what he believed in and what this country's all about. There's only one class and that's "We, the People."

Woe unto those foreign or domestic who try to divide us. They've never succeeded yet. I think there's a basic reason for this, one that Franklin Roosevelt understood as well as anyone. "The overwhelming majority of Americans," he said, "are possessed of two great qualities, a sense of humor and a sense of proportion."

This great nation of ours is a caring, loving land. Its people have a zest for life and laughter, and Franklin Roosevelt shared those qualities. But we're also a practical people with an inborn sense of proportion. We sense when things have gone too far, when the time has come to make fundamental changes. Franklin Roosevelt was that kind of a person, too.

Every generation of Americans has faced problems and every generation has overcome them. Like Franklin Roosevelt we know that for free men hope will always be a stronger force than fear, that we only fail when we allow ourselves to be boxed in by the limitations and errors of the past.

This is not a political gathering. It's a celebration of a great man who led our nation through historic times. It's a celebration shared here today by many who knew and loved him well. Friends, colleagues, and relatives—and for my part, a young sportscaster who first felt the awe and majesty of this office when that familiar caped figure drove down the avenue in Des Moines, Iowa, in 1936, the figure who proved to us all that "Happy Days" could and would come again.

In that spirit I can think of no better way to conclude these brief remarks than to ask you all to join me in a toast—and I think he would join—a toast to "Happy Days" now, again, and always.

To "Happy Days."

Note: The President spoke at 2:26 p.m. in the East Room at the White House. During the luncheon, the guests saw a documentary film on President Roosevelt's career. David Brinkley of ABC News narrated the film.

Earlier in the day, the President toured an exhibit on President Roosevelt at the National Museum of American History.

Letter to President Urho Kekkonen of Finland on His Retirement
January 28, 1982

Dear Mr. President:

Your departure from office marks the end of an era, not only in Finland, but in annals of statesmanship. Your unceasing pursuit, for over 25 years, of the cause of peace, has borne many fruits. Your name is synonymous with the independent spirit of the Finnish people, and you leave office as the President of a democratic and proud country.

Please accept, Mr. President, my best wishes on behalf of all Americans, for good health in your well deserved retirement.

Sincerely,

RONALD REAGAN

Statement on the Assassination of Turkish Consul General Kemal Arikan
January 28, 1982

This afternoon a tragic event occurred in Los Angeles. The Turkish Consul General, Kemal Arikan, was assassinated in an apparent act of terrorism. I condemn this vicious act.

I have, in addition to communicating with the Turkish Ambassador here in Washington, instructed my administration to forthwith assist local law enforcement in both investigating the murder and, hopefully, bringing this criminal or these criminals to trial so that justice might be done.

Proclamation 4893—Bicentennial Year of the American Bald Eagle and National Bald Eagle Day
January 28, 1982

By the President of the United States of America

A Proclamation

Whether silhouetted against the sky on a rocky pinnacle in Alaska or soaring majestically overhead in Florida, the bald eagle is admired as one of nature's most spectacular creatures.

To catch a glimpse of this majestic raptore is to understand why the Founding Fathers chose it to represent the strength and courage of our great Nation. Its grace and power in flight, its vigilance and loyalty in defending its family group, and, most of all, its courage make the eagle a proud and appropriate symbol for the United States. Its presence on the Great Seal of the United States—one talon extending the olive branch of peace, the other brandishing the arrows of defense—is a symbol of friendship and cooperation to our allies and a warning to our adversaries that we are not to be trod upon.

No one is certain what the original United States population of the bird was, although it may have approached 75,000–100,000. We do know, however, that its extinction has become a disheartening possibility in recent years.

We have sought to prevent that possibility by restricting the use of certain pesticides. Shooting and habitat destruction are also being brought under control as a result of protection and conservation programs conducted under the Bald Eagle Protection

Act and the Endangered Species Act. Scientists believe we are now beginning to see a subtle but definite population increase through the cooperative efforts of Federal and State fish and wildlife agencies, conservation and industrial groups, scientists, and private citizens. These efforts are truly indicative of the spirit of cooperation and perseverance which is at the very heart of our national character.

On June 20, 1782, the bald eagle became our Nation's symbol and national bird. As we approach the bicentennial anniversary of that event, we have an excellent opportunity to pause and reflect upon the importance of the bald eagle, indeed of all our fish and wildlife resources, to a healthy America. On this occasion, let us renew our commitment and dedication to the conservation of our natural heritage as symbolized by the bald eagle.

Now, Therefore, I, Ronald Reagan, President of the United States of America, in accordance with a joint resolution of the Congress (S.J. Res. 121), do hereby proclaim June 20, 1982 as "National Bald Eagle Day" and designate the year 1982 as the "Bicentennial Year of the American Bald Eagle." I call upon the people of the United States to join in these observances with appropriate activities in their homes and communities.

In Witness Whereof, I have hereunto set my hand this 28th day of January in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 2:15 p.m., January 29, 1982*]

Note: The text of the proclamation was released by the Office of the Press Secretary on January 29.

Appointment of Lee Atwater as Deputy Assistant to the President for Political Affairs

January 29, 1982

The President today announced his appointment of Lee Atwater, of Columbia, S.C., to be Deputy Assistant to the President for Political Affairs. He would succeed Edward J. Rollins, who has been promoted to the post of Assistant to the President for Political Affairs. In his new position, Atwater will be the White House point man for the 1982 congressional elections.

Mr. Atwater was appointed Special Assistant to the President on January 21, 1981. Previously he served as a regional political director during the 1980 Presidential campaign and directed the successful Reagan primary effort in South Carolina. Since 1974 he has been active in 28 successful Republican campaigns as a consultant. He was the manager of Senator Strom Thurmond's (R-S.C.) 1978 reelection and has played key roles in the campaigns of Representatives Floyd Spence, Carroll Campbell, Tommy Hartnett and John Napier of South Carolina, and Representative Gene Johnston of North Carolina.

In addition, Mr. Atwater, 30, is a former executive director of the College Republican National Committee. He was one of the youngest delegates to the 1972 Republican National Convention, as well as the youngest Presidential elector from his home State. He was also a delegate to the 1980 Republican National Convention, where he served as Reagan's assistant floor leader. Shortly after the convention he presented, and subsequently saw adopted, his campaign strategy for the Southern States.

Mr. Atwater is a graduate of Newberry College and holds a master's degree from the University of South Carolina. The United States Jaycees recognized him as one of the Ten Outstanding Young Men of America for 1982.

Statement on United States Participation in the Third United Nations Conference on the Law of the Sea

January 29, 1982

The world's oceans are vital to the United States and other nations in diverse ways. They represent waterways and airways essential to preserving the peace and to trade and commerce, are major sources for meeting increasing world food and energy demands, and promise further resource potential. They are a frontier for expanding scientific research and knowledge, a fundamental part of the global environmental balance, and a great source of beauty, awe, and pleasure for mankind.

Developing international agreement for this vast ocean space, covering over half of the Earth's surface, has been a major challenge confronting the international community. Since 1973 scores of nations have been actively engaged in the arduous task of developing a comprehensive treaty for the world's oceans at the Third United Nations Conference on Law of the Sea. The United States has been a major participant in this process.

Serious questions had been raised in the United States about parts of the draft convention, and, last March, I announced that my administration would undertake a thorough review of the current draft and the degree to which it met United States interests in the navigation, overflight, fisheries, environmental, deep seabed mining, and other areas covered by that convention. We recognize that the last two sessions of the Conference have been difficult, pending the completion of our review. At the same time, we consider it important that a Law of the Sea treaty be such that the United States can join in and support it. Our review has concluded that while most provisions of the draft convention are acceptable and consistent with United States interests, some major elements of the deep seabed mining regime are not acceptable.

I am announcing today that the United States will return to those negotiations and work with other countries to achieve an acceptable treaty. In the deep seabed mining area, we will seek changes necessary to correct those unacceptable elements and to achieve the goal of a treaty that:

—will not deter development of any deep seabed mineral resources to meet national and world demand;

—will assure national access to these resources by current and future qualified entities to enhance U.S. security of supply, to avoid monopolization of the resources by the operating arm of the International Authority, and to promote the economic development of the resources;

—will provide a decisionmaking role in the deep seabed regime that fairly reflects and effectively protects the political and economic interests and financial contributions of participating states;

—will not allow for amendments to come into force without approval of the participating states, including in our case the advice and consent of the Senate;

—will not set other undesirable precedents for international organizations; and

—will be likely to receive the advice and consent of the Senate. In this regard, the convention should not contain provisions for the mandatory transfer of private technology and participation by and funding for national liberation movements.

The United States remains committed to the multilateral treaty process for reaching agreement on Law of the Sea. If working together at the Conference we can find ways to fulfill these key objectives, my administration will support ratification.

I have instructed the Secretary of State and my Special Representative for the Law of the Sea Conference, in coordination with other responsible agencies, to embark immediately on the necessary consultations with other countries and to undertake further preparations for our participation in the Conference.

Announcement of the Establishment of the Cabinet Council on Legal Policy

January 29, 1982

The President today announced creation of the Cabinet Council on Legal Policy. This addition to the five existing Cabinet Councils will be chaired by the Attorney General. It will review matters pertaining to interdepartmental aspects of narcotics control, drug abuse prevention and treatment, civil rights, immigration, and other similar interagency policy matters. Initially, the Council will focus upon narcotics enforcement and immigration and refugee policy.

The Cabinet Council's deliberations will not include matters such as civil or criminal litigation or the rendering of legal advice, which are the responsibility of the Attorney General.

In addition to the Attorney General, also serving on the Council will be the Secretaries of State, Treasury, Interior, Commerce, Labor, Health and Human Services, Housing and Urban Development, Transportation; the Director of the Office of Management and Budget; and the Chairman of the Administrative Conference. Serving in an ex officio capacity will be the Vice President, the Counsellor to the President, the Assistant to the President and Chief of Staff, the Assistant to the President for Policy Development, and the Legal Counsel to the President.

Other departments will be invited to participate when appropriate. A Cabinet member may attend meetings of the Cabinet Council on Legal Policy if the items under discussion are of interest. When the situation warrants, other agency heads will be invited to participate.

Message to Lidiya and Augustina Vashchenko, Hunger Strikers in the United States Embassy in Moscow

January 29, 1982

Dear Augustina and Lidiya:

I want you to know of my deep personal concern for your health and your lives, which now are placed in extreme jeopardy by the hunger strike you have undertaken. My distress is shared by your many other friends and well-wishers here in the United States and elsewhere throughout the world, who join me in urging you to abandon this course before it is too late.

Please understand that you and the other members of the Vashchenko and Chmykhalov families are not alone as you pursue your brave and determined effort for emigration. Those who work on your behalf, and I have long counted myself among them, are many, and their efforts are unflagging.

Since becoming President, I have directed my Administration to do everything possible to assist you in reaching your goal. We have been in touch with Soviet officials at high levels to seek resolution of this question. I remain committed to seeking your emigration, as well as that of the other members of your family and the Chmykhalov family. I am determined to continue our efforts, and am hopeful that a solution can be found.

I ask you not to lose faith but to take heart from the sincere commitment of your many supporters. I urge you to abandon your hunger strike, and to continue your courageous course, a struggle that is an inspiration to all who value religious freedom and individual human rights.

Sincerely,

RONALD REAGAN

Nomination of Jay V. Beck To Be a Member of the National Science Board

February 1, 1982

The President today announced his intention to nominate Jay V. Beck to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1986. He would succeed Jewel P. Cobb.

Dr. Beck is professor emeritus of microbiology, with microbiological research responsibilities, at Brigham Young University in Provo, Utah. Previously he was professor of bacteriology and chairman of the department of bacteriology at Brigham Young in 1951–78. Dr. Beck was associate professor of microbiology at Pennsylvania State University in 1947–51; microbiologist, Pennsylvania Grade Crude Oil Association in Bradford, Pa., in 1946–47; assistant professor, department of microbiology, University of Idaho, in 1944–46; and associate chemist, U.S. Food and Drug Administration, San Francisco, in 1940–44.

Dr. Beck was the principal investigator on numerous research projects, including studies supported by the National Institutes of Health, the National Science Foundation, and the Dow Chemical Co. He has attended international congresses of microbiology and biochemistry in Stockholm, Moscow, and Tokyo. He has published many articles for scholarly journals and has coauthored a laboratory manual for courses in general microbiology.

He graduated from Brigham Young University (M.A., 1936) and the University of California at Berkeley (Ph. D., 1940). He is married, has six children, and resides in Provo, Utah. He was born January 15, 1912, in Highland, Utah.

Nomination of James G. Stearns To Be a Member of the Board of Directors of the Securities Investor Protection Corporation

February 1, 1982

The President today announced his intention to nominate James G. Stearns to be a member of the Board of Directors of the Securities Investor Protection Corporation for the remainder of the term expiring December 31, 1982. The President also intends to designate Mr. Stearns Chairman. He would succeed Hugh F. Owens.

Mr. Stearns is currently Director, Office of Alcohol Fuels, Department of Energy. He was secretary of agriculture and services, State of California, and a member of then-Governor Reagan's cabinet in 1972–75. Previously he was director, department of conservation, State of California, in 1967–72, and Modoc County, California, supervisor. He has also been a self-employed farmer and rancher.

He attended Oregon State College and served in the U.S. Army Air Corps during World War II. He is married, has three children, and resides in Arlington, Va., and Reno, Nev. He was born January 29, 1922, in Lapine, Oreg.

Appointment of James E. Brandon as a Member of the Board of Directors of the Student Loan Marketing Association
February 1, 1982

The President today announced his intention to appoint James E. Brandon to be a member of the Board of Directors of the Student Loan Marketing Association. He would succeed Thomas H. Riddell, Jr.

Since 1962 Mr. Brandon has been a self-employed attorney in Amarillo, Tex. He is also a certified public accountant and was associated with the firm of Haskins & Sells (Dallas office) in 1949–55.

Mr. Brandon graduated from North Texas State University (B.A., 1948) and the University of Texas at Austin (J.D., 1962). He is currently a member of the board of regents of Amarillo College.

He is married, has two children, and resides in Amarillo, Tex. He was born January 15, 1927, in Farmersville, Tex.

Appointment of Eight Members of the Advisory Committee on Small and Minority Business Ownership, and Designation of Chairman
February 1, 1982

The President today announced his intention to appoint the following individuals to be members of the Advisory Committee on Small and Minority Business Ownership. The President also announced his intention to designate R. Miller Hicks Chairman.

Al Cardenas is cofounder and senior partner of the firm of Barron, Lehman & Cardenas in Miami, Fla. Previously he was senior partner of Cardenas, Chomat, Geiss, Amador & Dienstag in 1978–79. He has practiced law since 1974. He has been active in community affairs and served as a member of the Dade County Mayor's Committee on Economic Development. He was also a member of the board of directors of the Greater Miami Restoration Board. He was born January 3, 1948, in Havana, Cuba.

William Jackson Greer is chairman of the board of Intex Products, Inc., of Greenville, S.C. In 1971 he purchased the industrial and textile divisions of Texize Chemicals, Inc., and formed Intex Products, Inc. He founded Texize Chemicals in 1945, serving as president and treasurer and chairman of the board until 1971. He is a member of the board of directors of the National Association of Manufacturers. Mr. Greer was born November 20, 1908, in Honea Path, S.C.

R. Miller Hicks is president of R. Miller Hicks & Co., a business development and consultant firm incorporated over 23 years ago in Austin, Tex. He is past chairman of the board of Dynamic Broadcasting Corp. and vice president of Investors, Inc., a mortgage banking corporation. He is a past member of the U.S. Regional Export Expansion Council. He was born April 29, 1925, in Athens, Tex.

LeRoy W. Jeffries is founder and president of LeRoy W. Jeffries and Associates, Inc., a marketing and public relations firm in Los Angeles, Calif. Previously he was senior vice president and director of advertising with Johnson Publishing Co. He has also held positions with the Urban League of Greater New York, the National Urban League, and served as a consultant to the chairman of the U.S. Equal Employment Opportunity Commission. He was born August 14, 1912, in Greensboro, N.C.

Katherine D. Ortega is a consultant with Otero Savings and Loan Association in Alamogordo, N. Mex. Previously she was president and director of Santa Ana State Bank in Santa Ana, Calif., in 1975–77; vice president and cashier, Pan American National Bank in Los Angeles, Calif., in 1972–75; and tax supervisor, Peat, Marwick, Mitchell & Co. in 1969–72. She was the first woman president of a bank in the State of California. Ms. Ortega was born July 16, 1934, in Tularosa, N. Mex.

Lincoln Johnson Ragsdale, Sr., is president and chairman of the board of Valley Life and Casualty Insurance and owner of International Investment Co. in Phoenix, Ariz. He is past president of the International Construction Co. and was secretary and a member of the board of directors of the Southwest Savings and Loan Association. He is currently a member of the National Urban League board of trustees and member of the board of directors of the National Conference of Christians and Jews. He was born July 27, 1927, in Muskogee, Okla.

Stanley S. Scott is vice president of public affairs, Philip Morris U.S.A., in New York, N.Y. He was director of corporate public affairs and assistant director, corporate relations and communications, in 1977–79. Mr. Scott served as Assistant Administrator, Bureau for Africa, Department of State, in 1975–77, and was Special Assistant to the President in the White House in 1973–75. He was assistant director of public relations, National Association for the Advancement of Colored People, in 1966–67. Mr. Scott was born July 2, 1933, in Bolivar, Tenn.

Walter Larke Sorg is president, Walter Larke Sorg Associates, a management consulting firm in Washington, D.C. Previously he was appointed to participate in the organization and development of the Office of Minority Business Enterprise, Department of Commerce, in 1969. He later served as Assistant Director, Director of National Programs, and Acting Director. He was engaged in financial printing in 1947–69. Mr. Sorg was born April 5, 1926, in Springfield Gardens, N.Y.

Executive Order 12344—Naval Nuclear Propulsion Program
February 1, 1982

By the authority vested in me as President and as Commander in Chief of the Armed Forces of the United States of America, with recognition of the crucial importance to national security of the Naval Nuclear Propulsion Program, and for the purpose of preserving the basic structure, policies, and practices developed for this Program in the past and assuring that the Program will continue to function with excellence, it is hereby ordered as follows:

Section 1. The Naval Nuclear Propulsion Program is an integrated program carried out by two organizational units, one in the Department of Energy and the other in the Department of the Navy.

Sec. 2. Both organizational units shall be headed by the same individual so that the activities of each may continue in practice under common management. This individual shall direct the Naval Nuclear Propulsion Program in both departments. The director shall be qualified by reason of technical background and experience in naval nuclear propulsion. The director may be either a civilian or an officer of the United States Navy, active or retired.

Sec. 3. The Secretary of the Navy (through the Secretary of Defense) and the Secretary of Energy shall obtain the approval of the President to appoint the director of the Naval Nuclear Propulsion Program for their respective Departments. The director shall be appointed to serve a term of eight years, except that the Secretary of Energy and the Secretary of the Navy may, with mutual concurrence, terminate or extend the term of the respective appointments.

Sec. 4. An officer of the United States Navy appointed as director shall be nominated for the grade of Admiral. A civilian serving as director shall be compensated at a rate to be specified at the time of appointment.

Sec. 5. Within the Department of Energy, the Secretary of Energy shall assign to the director the responsibility of performing the functions of the Division of Naval Reactors transferred to the Department of Energy by Section 309(a) of the Department of Energy Organization Act (42 U.S.C. 7158), including assigned civilian power reactor programs, and any naval nuclear propulsion functions of the Department of Energy, including:

(a) direct supervision over the Bettis and Knolls Atomic Power Laboratories, the Expended Core Facility and naval reactor prototype plants;

(b) research, development, design, acquisition, specification, construction, inspection, installation, certification, testing, overhaul, refueling, operating practices and procedures, maintenance, supply support, and ultimate disposition, of naval nuclear propulsion plants, including components thereof, and any special maintenance and service facilities related thereto;

(c) the safety of reactors and associated naval nuclear propulsion plants, and control of radiation and radioactivity associated with naval nuclear propulsion activities, including prescribing and enforcing standards and regulations for these areas as they affect the environment and the safety and health of workers, operators, and the general public;

(d) training, including training conducted at the naval prototype reactors of the Department of Energy, and assistance and concurrence in the selection, training, qualification, and assignment of personnel reporting to the director and of personnel who supervise, operate, or maintain naval nuclear propulsion plants; and

(e) administration of the Naval Nuclear Propulsion Program, including oversight of program support in areas such as security, nuclear safeguards and transportation, public information, procurement, logistics, and fiscal management.

Sec. 6. Within the Department of Energy, the director shall report to the Secretary of Energy, through the Assistant Secretary assigned nuclear energy functions and shall serve as a Deputy Assistant Secretary. The director shall have direct access to the Secretary of Energy and other senior officials in the Department of Energy concerning naval nuclear propulsion matters, and to all other personnel who supervise, operate or maintain naval nuclear propulsion plants and support facilities for the Department of Energy.

Sec. 7. Within the Department of the Navy, the Secretary of the Navy shall assign to the director responsibility to supervise all technical aspects of the Navy's nuclear propulsion work, including:

(a) research, development, design, procurement, specification, construction, inspection, installation, certification, testing, overhaul, refueling, operating practices and procedures, maintenance, supply support, and ultimate disposition, of naval nuclear propulsion plants, including components thereof, and any special maintenance and service facilities related thereto; and

(b) training programs, including Nuclear Power Schools of the Navy, and assistance and concurrence in the selection, training, qualification, and assignment of personnel reporting to the director and of Government personnel who supervise, operate, or maintain naval nuclear propulsion plants.

Sec. 8. Within the Department of the Navy, the Secretary of the Navy shall assign to the director responsibility within the Navy for:

(a) the safety of reactors and associated naval nuclear propulsion plants, and control of radiation and radioactivity associated with naval nuclear propulsion activities, including prescribing and enforcing standards and regulations for these areas as they affect the environment and the safety and health of workers, operators, and the general public.

(b) administration of the Naval Nuclear Propulsion Program, including oversight of program support in areas such as security, nuclear safeguards and transportation, public information, procurement, logistics, and fiscal management.

Sec. 9. In addition to any other organizational assignments within the Department of the Navy, the director shall report directly to the Chief of Naval Operations. The director shall have direct access to the Secretary of the Navy and other senior officials in the Department of the Navy concerning naval nuclear propulsion matters, and to all other Government personnel who supervise, operate, or maintain naval nuclear propulsion plants and support facilities.

Sec. 10. This Order is effective on February 1, 1982.

RONALD REAGAN

The White House,
February 1, 1982.

[*Filed with the Office of the Federal Register, 4:33 p.m., February 1, 1982*]

Message to the Congress Transmitting the Proposed United States-Bangladesh Agreement on Nuclear Energy

February 2, 1982

To the Congress of the United States:

I am pleased to transmit to the Congress, in accordance with Section 123 d of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(d)), the text of the proposed Agreement for Cooperation Between the United States of America and the People's Republic of Bangladesh Concerning Peaceful Uses of Nuclear Energy and accompanying annex and agreed minute; my written determination, approval, and authorization concerning the agreement; and the memorandum of the Director of the United States Arms Control and Disarmament Agency with the Nuclear Proliferation Assessment Statement concerning the agreement. The joint memorandum submitted to me by the Secretaries of State and Energy, which includes a summary analysis of the provisions of the agreement, and the views and recommendations of the Members of the Nuclear Regulatory Commission and the Director of the United States Arms Control and Disarmament Agency are also enclosed.

The Nuclear Non-Proliferation Act of March 10, 1978 sets forth certain requirements for new agreements for peaceful nuclear cooperation with other countries. In my judgment, the proposed agreement for cooperation between the United States and Bangladesh, together with its accompanying annex and agreed minute, meets all statutory requirements.

The proposed bilateral agreement reflects the desire of the Government of the United States and the Government of Bangladesh to establish a framework for peaceful nuclear cooperation between our two countries in a manner which recognizes both the shared non-proliferation objectives and the friendly and harmonious relations between the United States and Bangladesh. The proposed agreement will, in my view, further the non-proliferation and other foreign policy interests of the United States.

I have considered the views and recommendations of the interested agencies in reviewing the proposed agreement and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the agreement and authorized its execution, and urge that the Congress give it favorable consideration.

RONALD REAGAN

The White House,
February 2, 1982.

Memorandum From the Assistant to the President for National Security Affairs on the Protection of Classified National Security Council and Intelligence Information

February 2, 1982

The President signed NSDD–19 on January 12, 1982[1] dealing with protection of classified National Security Council and Intelligence Information, directing that I establish procedures to implement its policy guidelines. This memorandum (1) supersedes NSDD–19, (2) establishes procedures for protection of National Security Council Information as herein defined, (3) directs agency heads to issue instructions in conformity with these procedures, (4) directs the Director of Central Intelligence to develop similar procedures for protection of classified intelligence information, and (5) requests the Attorney General to convene an interdepartmental group on the effectiveness of existing laws against unauthorized disclosure of classified information.

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[1] *Editorial Note: See page 18 of this volume.*

National Security Council Information

National Security Council Information means classified information contained in: (1) any document prepared by or intended primarily for use by the NSC, its interagency groups as defined in NSDD–2, or its associated committees and groups, and (2) deliberations of the NSC, its interagency groups as defined in NSDD–2, or its associated committees and groups.

Access

Any agency or department handling NSC Information will hold the number of persons having access to such information to the absolute minimum consistent with efficient operations of the NSC system, and will strictly control document dissemination and reproduction to carry out existing law. A numbered cover sheet bearing the notation appearing below will be affixed to each copy of a document containing NSC information. The cover sheet will be attached at the time it is submitted to an Assistant Secretary or equivalent level. The NSC will provide sample cover sheets to departments and agencies who will then be responsible for further distribution and administration.

Notice

The attached document contains sensitive National Security Council Information. It is to be read and discussed only by persons authorized by law.

Your signature acknowledges you are such a person and you promise you will show or discuss information contained in the document only with persons who are authorized by law to have access to this document.

Persons handling this document acknowledge he or she knows and understands the security law relating thereto and will cooperate fully with any lawful investigation by the United States Government into any unauthorized disclosure of classified information contained herein.

Implementation

Agency and department heads will forward to the NSC implementing instructions on these procedures no later than March 15, 1982.

The DCI will also submit by that date for NSC consideration draft procedures for protection of sensitive intelligence information within its control. Such procedures will be cleared within the Intelligence Community and dissenting views will be noted.

The Attorney General is requested to convene by March 1, 1982, an interagency group to report to the President on the effectiveness of existing statutes and Executive Orders prohibiting unauthorized disclosure of classified information.

For The President:

WILLIAM P. CLARK

Nomination of James W. Winchester To Be Associate Administrator of the National Oceanic and Atmospheric Administration

February 2, 1982

The President today announced his intention to nominate James W. Winchester to be Associate Administrator of the National Oceanic and Atmospheric Administration, Department of Commerce. He would succeed George S. Benton.

Since 1977 Mr. Winchester has been a consultant and owner of Business & Engineering Consultants, Inc. Previously he was Director, National Oceanic and Atmospheric Administration Data Buoy Office, St. Louis, Mo., in 1972–77; vice president and general manager, Oceanographic Services, Inc., Santa Barbara, Calif., in 1966–72; head, field projects, Office of Naval Research, in 1956–66; and research associate, the Johns Hopkins University, in 1955–56.

He graduated from the American University (M.A.), the Johns Hopkins University (M.A.), and Furman University (B.S.). He is married and resides in Pass Christian, Miss. He was born November 7, 1916, in Central, S.C.

Nomination of Samuel K. Lessey, Jr., To Be Inspector General of the United States Synthetic Fuels Corporation

February 2, 1982

The President today announced his intention to nominate Samuel K. Lessey, Jr., to be Inspector General, United States Synthetic Fuels Corporation, for a term of 7 years.

Mr. Lessey is a private investor and a brigadier general in the United States Air Force Reserve. He was vice president, Shearson, Hammill & Co., an investment banking and brokerage firm, in 1968–74. Previously he was vice president and director of the National Aviation Corp., a closed-end investment company specializing in aerospace and airline securities, in 1957–68.

He graduated from the United States Military Academy (B.S., 1945); Harvard Law School (LL.B., 1951); and Harvard Business School (M.B.A., 1956). He resides in Hancock, N.H. Mr. Lessey was born October 9, 1923, in Newark, N.J.

Nomination of Robert W. Gambino To Be Deputy Inspector General of the United States Synthetic Fuels Corporation

February 2, 1982

The President today announced his intention to nominate Robert W. Gambino to be Deputy Inspector General, United States Synthetic Fuels Corporation, for a term of 7 years.

Mr. Gambino served in the Central Intelligence Agency for over 20 years, involved in support, collection, and operational programs. During his last 5 years with the Agency, Mr. Gambino was Director of Security. He resigned in February 1980.

He graduated from the University of Virginia (B.A., 1951) and George Washington University (J.D., 1958; M.A., 1968). He resides in Vienna, Va., and was born November 16, 1926, in Martinsburg, W. Va.

Executive Order 12345—Physical Fitness and Sports

February 2, 1982

By virtue of the authority vested in me as President of the United States of America, and in accordance with the Federal Advisory Committee Act, as amended (5 U.S.C. App. I), in order to expand the program for physical fitness and sports and to continue the President's Council on Physical Fitness and Sports, it is hereby ordered as follows:

Section 1. The Secretary of Health and Human Services shall, in carrying out his responsibilities for public health and human services, develop and coordinate a national program for physical fitness and sports. The Secretary shall:

(a) Enlist the active support and assistance of individual citizens, civic groups, private enterprise, voluntary organizations, and others in efforts to promote and improve the fitness of all Americans through regular participation in physical fitness and sports activities.

(b) Initiate programs to inform the general public of the importance of exercise and the link which exists between regular physical activity and such qualities as good health and effective performance.

(c) Strengthen coordination of Federal services and programs relating to physical fitness and sports participation and invite appropriate Federal agencies to participate in an interagency committee to coordinate physical fitness and sports activities of the Federal establishment.

(d) Encourage State and local governments to emphasize the importance of regular physical fitness and sports participation.

(e) Seek to advance the physical fitness of children, youth, adults, and senior citizens by systematically encouraging the development of community recreation, physical fitness, and sports participation programs.

(f) Develop cooperative programs with medical, dental, and other similar professional societies to encourage the implementation of sound physical fitness practices and sports medicine services.

(g) Stimulate and encourage research in the areas of sports medicine, physical fitness, and sports performance.

(h) Assist educational agencies at all levels in developing high quality, innovative health and physical education programs which emphasize the importance of exercise to good health.

(i) Assist recreation agencies and national sports governing bodies at all levels in developing "sports for all" programs which emphasize the value of sports to physical, mental, and emotional fitness.

(j) Assist business, industry, government, and labor organizations in establishing sound physical fitness programs to elevate employee fitness and to reduce the financial and human costs resulting from physical inactivity.

Sec. 2. President's Council on Physical Fitness and Sports. (a) There is hereby continued the President's Council on Physical Fitness and Sports.

(b) The Council shall be composed of fifteen members appointed by the President. The President shall designate one of the members to be the Chairman.

Sec. 3. Functions of the Council. (a) The Council shall advise the President and the Secretary concerning progress made in carrying out the provisions of this Order and shall recommend to the President and the Secretary, as necessary, actions to accelerate progress.

(b) The Council shall advise the Secretary on matters pertaining to the ways and means of enhancing opportunities for participation in physical fitness and sports activities.

(c) The Council shall also advise the Secretary on State, local, and private actions to extend and improve physical activity programs and services.

Sec. 4. Administrative Provisions Concerning the Council. (a) The Secretary and the Council are authorized to request from any Federal agency such information or assistance deemed necessary to carry out their functions under this Order.

(b) Each Federal agency is authorized, to the extent permitted by law and within available funds, to furnish such information and assistance to the Secretary and the Council as they may request.

(c) The members of the Council shall serve without compensation for their work on the Council. However, members of the Council may receive travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in government service (5 U.S.C. 5701–5707).

(d) To the extent permitted by law, the Secretary shall furnish the Council with necessary staff, supplies, facilities, and other administrative services. The expenses of the Council shall be paid from funds available to the Secretary.

(e) The Secretary shall appoint an Executive Director of the Council.

(f) The seal prescribed by Executive Order No. 10830 of July 24, 1959, as amended, shall continue to be the seal of the President's Council on Physical Fitness and Sports continued by this Order.

Sec. 5. General Provisions Concerning the Council.

(a) Notwithstanding the provisions of any other Executive Order, the functions of the President under the Federal Advisory Committee Act, as amended (5 U.S.C. App. I), except that of reporting annually to the Congress, shall be performed by the Secretary in accordance with guidelines and procedures established by the Administrator of General Services.

(b) In accordance with the Federal Advisory Committee Act, as amended, the Council shall terminate on December 31, 1982, unless sooner extended.

(c) Executive Order No. 11562, as amended, is revoked.

RONALD REAGAN

The White House,
February 2, 1982.

[Filed with the Office of the Federal Register, 3:19 p.m., February 2, 1982]

Remarks at the Welcoming Ceremony for President Mohamed Hosni Mubarak of Egypt

February 3, 1982

President Reagan. It's an honor and a pleasure to welcome you, Mr. President, Mrs. Mubarak, and those who accompanied you from Egypt.

Your visit today reaffirms our friendship, and all Americans thank you for that reaffirmation. Your visit and the current excellent relations between our two governments are testimony that the friendship between Egypt and the United States is more than a compact between individuals. It is a commitment between nations.

In your inaugural address to the Egyptian parliament, President Mubarak, you told the parliament, "We are all sons of the same destiny and history." Well, I believe that's true of all mankind as well. And today all good and decent people join in proclaiming that terrorists will not be permitted to determine the future of mankind.

Mr. President, there's much to discuss. Our talks will touch on issues of global, regional, and bilateral significance. We share a mutual concern as we observe the expansion of a totalitarian power based on an ideology that smothers freedom and independence and denies the existence of God. The people of Poland and Afghanistan now suffocate under the oppressive whim of this fearful master. Within the Mideast, this same power encourages hatred and conflict, hoping to take some advantage of instability.

The United States stands firmly with Egypt and other Mideastern nations concerned with regional security. As Secretary Haig emphasized on his recent visit, we have never sought a military, permanent presence, but we do ask and are grateful for mutually agreed arrangements that will enhance the security of the nations in that region.

In an address last December, Mr. President, you stated that one of the characteristics of great nations is their ability to learn from history. But if history teaches us anything, it is that good people must cooperate if peace is to be maintained and if progress is to be made.

Over the last decade, the United States played a part in the peace process which has led to peace between Egypt and Israel. We are willing to continue in that role to seek a lasting peace in the Middle East between Israel and all its Arab neighbors. And Camp David, we believe, is a first step toward that goal. It has brought recognizable and measurable progress. As Israeli withdrawal from the Sinai takes place later this year, we must commit ourselves to push on. In a spirit of understanding, we must address the remaining issues in the negotiations for autonomy in the West Bank and Gaza and chart a course that will build upon that which has already been accomplished.

Others should be brought into the Camp David process, because no matter how long and arduous, it offers the best opportunity for tangible results. In the months ahead, we must maintain our flexibility, yet never lose sight of the goal of establishing a lasting and comprehensive peace that will provide security and justice and a better life for all peoples of the region. Without setting deadlines, I personally believe the time has come to get on with the task before us and the sooner the better.

Secretary Haig has explained to me your sincere commitment now that you have peace with Israel to seek a broader peace in the region. President Mubarak, the United States also remains eager to do whatever we can to help Egypt enjoy the fruits of peace. We offer the helping hand of friendship, and we're optimistic that working with you, we can streamline our joint economic efforts, make them more flexible, more efficient, and more responsive to our mutual needs, so that all can share in the bounty of peace.

In the coming spring, America's trade ambassador, William Brock, will visit your country with the expressed purpose of strengthening our trade and economic ties. And, Mr. President, we also share your concern for the well-being of your neighbors in the Sudan. In this world of advanced technology, communication, and transportation, all nations are neighbors. Furthermore, with you and all those who would be our friends, we hope to be a good neighbor.

Mr. President, I grew up in a small town in the Midwest of our country, and in the tiny school where I received my initial education, our history books taught us about the magnificent 7,000-year-old culture that grew and prospered along the Nile. I remember wondering what kind of people they were—those people who laid the foundation for Western civilization. Well, today, we Americans know the Egyptian people well, their courage and nobility, and we're proud to have you as our friends.

President Mubarak. President Reagan, thank you very much for the warm reception and the kind words. It is a source of great pleasure to visit your great country once again in less than 4 months.

As you know, Mr. President, the sentiments which you have expressed are shared by 44 million Egyptians. They look upon the United States with admiration and respect. They remember very vividly the words of President Abraham Lincoln, who spoke of a nation conceived in liberty and dedicated to the proposition that all men are created equal. They recall also that President John Kennedy urged all nations to join in creating a new endeavor—not a new balance of power, but a new world of law, where the strong are just and the weak secure and the peace preserved.

Mr. President, during the past few years our late leader, President Sadat, worked vigorously with you and your predecessors to forge an ever-growing friendship. In doing so he was expressing the will of the Egyptian people. Hence this policy will continue unchanged. We are determined to build upon what has been achieved and add to it every day. We are here to reinforce our friendship and intensify our cooperation in all fields. We are here, Mr. President, to cement the bonds of interaction between our two nations. We are here to reaffirm our commitment to work together for peace and reconciliation.

The steps we took on the road to peace in the Middle East generated a historic change in that troubled part of the world. However, they must be followed up in the months ahead. We must double our efforts in order to fulfill our pledge to establish a just and a comprehensive peace. The key to peace and stability in the area is to solve the Palestinian problem.

A just solution to this problem must be based on mutual recognition and acceptance. Both sides have an inherent right to exist and function as a national entity, free from domination and fear. The exercise of the right to self-determination cannot be denied to the Palestinian people. In fact, it is the best guarantee for Israeli security. This is the lesson of history and the course of the future.

To make it a living reality the Palestinians need your help and your understanding. We are certain that you will not fail them—you will not defeat the expectations of those who look upon you as a nation of freedom-fighters and peacemakers.

I'm looking forward to the talks that we'll have today with hope and optimisim. Much depends on the success of our efforts and the clarity of our vision. I have no doubt that we shall meet the challenge with resolve and determination.

Mr. President, on behalf of the Egyptian people, I invite you and Mrs. Reagan to visit Egypt in order to enable the Egyptian people to express to you the genuine feeling towards every American in the United States.

Thank you very much, Mr. President.

Note: President Reagan spoke at 10:10 a.m. in the East Room at the White House, where, because of inclement weather, President Mubarak was given the formal welcome.

Following the ceremony, the two Presidents met in the Oval Office, first privately and then with the Vice President, Secretary of State Alexander M. Haig, Jr., Assistant to the President for National Security Affairs William P. Clark, Deputy Secretary of Defense Frank C. Carlucci, Secretary of the Treasury Donald T. Regan, U.S. Ambassador to Egypt Alfred L. Atherton, Jr., Egyptian Minister of Foreign Affairs Kamal Hasan 'Ali, First Foreign Under Secretary Osama El-Baz, and Egyptian Ambassador to the United States Ashraf 'Abd al-Latif Ghorbal. President Reagan and President Mubarak then met in the Cabinet Room with their full delegations.

Nomination of Henry R. Folsom To Be a Commissioner of the Postal Rate Commission, and Designation of Janet Dempsey Steiger as Chairman

February 3, 1982

The President today announced his intention to nominate Henry R. Folsom to be a Commissioner of the Postal Rate Commission for the remainder of the term expiring October 14, 1982. He would succeed A. Lee Fritschler.

The President today also announced his intention to designate Janet Dempsey Steiger as Chairman of the Postal Rate Commission. She has been serving as Acting Chairman since her designation by the President on March 6, 1981.

Mr. Folsom is a consultant to the Water Resources Agency of New Castle County, Del. He is also an adjunct professor in urban affairs and public policy at the University of Delaware. He was affiliated with E. I. du Pont de Nemours and Co. from 1937 to 1973. He served as Newark city councilman from 1961 to 1966, deputy mayor of New Castle County from 1965 to 1966, city councilman from 1966 to 1980, and council president from 1973 to 1980.

He graduated from the University of Delaware (B.S., 1936). He and his wife reside in Hockessin, Del. He was born July 19, 1913, in Wilmington, Del.

Nomination of George S. Roukis To Be a Member of the National Mediation Board

February 3, 1982

The President today announced his intention to nominate George S. Roukis to be a member of the National Mediation Board for the term expiring July 1, 1984. He would succeed George S. Ives.

Mr. Roukis is an associate professor of industrial relations and public management at Hofstra University. He has also been serving as arbitrator for the National Railroad Adjustment Board since 1977. He was acting director of the New York Institute of Technology from 1977 to 1978. He served as vice president, public affairs, of Group Health Insurance of New York from 1976 to 1977. He served as Deputy Assistant Secretary of Labor from 1973 to 1975. He was affiliated with the State University of New York in 1966–1973.

He graduated from New York University (B.S., 1957; M.A., 1963; Ph. D., 1973). He is married, has three children, and resides in Manhasset Hills, N.Y. Mr. Roukis was born June 23, 1933.

Note: Mr. Roukis' nomination, which was submitted to the Senate on February 4, was withdrawn by the President on June 14.

Proclamation 4894—American Heart Month, 1982
February 3, 1982

By the President of the United States of America

A Proclamation

Diseases of the heart and circulatory system remain our nation's most serious health problem. These diseases affect at least 40 million Americans, many of whom have been seriously and often permanently disabled. Heart disease causes one million deaths each year and costs the nation more than $60 billion a year in lost wages, productivity, and medical expenses.

However, progress has been made in recent years to substantially reduce illness, disability, and death from heart disease. For most heart and blood vessel diseases, death rates have been declining slowly but steadily since 1950. Over the past decade, death rates have declined in all cardiovascular-disease categories and at a pace double that of the death rate for all other causes.

In human terms, we know that 300,000 Americans who would have died from cardiovascular disease during 1981 are still alive today. This development has been a major contributing factor to the three-year increase in the life expectancy of Americans in the past decade.

We have learned much about averting the onset of cardiovascular disease. Americans are increasingly aware of the crucial role lifestyles play in affecting their risk of these diseases. By recognizing the importance of proper nutrition, reduced smoking, exercise, and prevention of high blood pressure, our citizens are making a major contribution to the fight against heart disease. The role of prevention in cardiovascular diseases is especially vital because the initial symptoms are so frequently lethal or permanently disabling.

While we have made significant progress in the treatment of this group of diseases, they still take an appallingly high toll on our people. Cardiovascular diseases still account for more than 50 percent of the deaths in America; coronary heart disease is the primary cause of death.

Clearly, we must continue our vigorous efforts to stem the great amount of death and disability cardiovascular diseases cause in our nation. To this end, the Congress has requested the President to issue annually a proclamation designating February as American Heart Month.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim the month of February, 1982, as American Heart Month. I invite the Governors of the States, the Commonwealth of Puerto Rico, the officials of other areas subject to the jurisdiction of the United States and the American people to join with me in reaffirming our commitment to the resolution of the nationwide problem of cardiovascular disease.

In Witness Whereof, I have hereunto set my hand this third day of February, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the

United States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 4:12 p.m., February 3, 1982]

Toasts of President Reagan and President Mohamed Hosni Mubarak of Egypt at the State Dinner
February 3, 1982

President Reagan. President and Mrs. Mubarak and distinguished guests, tonight we honor a man who has emerged as a source of quiet strength at a time when such traits are sorely needed in the world. He is uncompromising about his principles, and this is something that should be admired.

Years ago, as the superintendent of the Egyptian Air Force Academy, he was asked to bend the rules and permit one student to begin class before all the necessary formalities had been completed. The request was denied. The young man making the request was the brother of President Gamal Abdel Nasser, the President of Egypt. This says a lot about the man we honor tonight. It is this dedication to duty, equality before the law and doing the job right, that engenders our respect and our trust.

President Mubarak is now the political leader of a great nation, but his chosen career was that of a military officer. In that profession, he exhibited courage and skill as a pilot, efficiency as an administrator; and this quality now serves his country well.

During our talks today, I could see that what he had learned in the military was deeply ingrained. Like all good military men, President Mubarak understands that the purpose of military power is not to fight, but to keep the peace. Those who must fight when war comes know better than others that peace is not achieved through platitudes or excessive emotion. It requires hard work, resolution, and sacrifice.

In his speech before the Egyptian parliament, President Mubarak said, "Peace to us is a firm strategic commitment, not a tactical position that can change." We, today, have rededicated ourselves to that noble goal. What has been accomplished so far is a tribute to the commitment of the Egyptians, the Israelis, and, I think we're all proud to say, the Americans. Our meetings have reassured me that further progress is within our grasp. While it's not easy, progress rarely is.

As a young man, President Mubarak played soccer, and, understandably, he captained his school soccer team. Mr. President, I have to tell you a little story. We're not as familiar with soccer—getting more so in this country; our game of American football has dominated our taste and our thinking for many years. But back some years when soccer was very little known in this country, there was a great football coach named Knute Rockne at Notre Dame University. And he had a turnout of so many men that he knew he would have to dismiss many of them before long, and he decided to kind of accelerate this selection system. So, he got a soccer ball, and he gathered them around, and he said, "Now, this is a soccer ball." And he said, "Just to kind of get started," and he said, "I want you to remember, football is a game that takes courage." He said, "I'm going to divide you up into two groups, and then we'll put the ball down between you, and the idea will be to kick the ball—to try to kick it over the other fellows' goal line." "Now," he said, "in the course of this, remember, you may have to kick a few shins. But," he said, "remember, football is a game of courage." And then he looked down, and the ball was gone. And he said, "Wait a minute. Who took the soccer ball?" And the littlest guy in the front rank on one side said, "Never mind the ball, Rock. When do we start kicking?" [*Laughter*]

Team sports teaches that winning depends on knowing what's required and working seriously with those seeking the same goal. One also cultivates the concern for others and a respect for playing by the rules. President Mubarak expressed this in his inauguration speech when he stated, "Freedom means a commitment for freedom to others, and democracy means respect for the legislature and the laws." Well, these words reflect a world view that is consistent with America's ideals and aspirations as well as, I'm sure, those of his fellow countrymen.

President Mubarak, I look forward to working closely with you as we move toward the goal of establishing a just and lasting peace. Clearly, the Egyptians, Americans, and all the people of the Middle East who seek this goal are on the same team. To succeed we must continue cooperating, and we've already demonstrated cooperation, and cooperation that we thought would have been impossible only a decade ago. But we're doing these things necessary to achieve this goal. We will win the victory we seek. The leadership and quiet strength of the man that we honor tonight makes us all more confident of that.

So, will you all join in a toast to President Mubarak, to Mrs. Mubarak, and to the great people of Egypt.

President Mubarak. I have a card in my pocket. I'll just take it up and read what's written on the card. [*Laughter*] It's signed by Mrs. Reagan. [*Laughter*]

President Reagan, Mrs. Reagan, dear friends:

Before I start I would like to—let me first congratulate Mrs. Reagan for the new china, which is very elegant and very beautiful.

We are extremely touched by the warmth of your reception. Every time we come here in Washington we are met with open arms and open hearts. Every time I meet with you, Mr. President—although it is the second time, but I could feel that I've met you several times—I feel the depth of your sentiments towards Egypt and the Egyptian people. We too attach great importance to the friendship between our two peoples. We are determined to strengthen the bonds of this friendship and double our cooperation. This is a constant line of our policy.

We appreciate the assistance you have given us without any conditions. Your partnership with us in the peace process is a valuable asset to all parts concerned. It is the pivotal factor for widening the scope of peace to encompass every corner of the region. The talks that we held today, Mr. President, were an added source of satisfaction and reassurance. They reaffirmed our faith in the future, and they reinforced our determination to pursue our goal hand in hand. Together we have made a new beginning. I am certain that it will be recorded in the annals of history as one of the greatest events of our time. And together we shall continue our endeavor until it bears fruit.

I am happy to say that I find President Reagan a statesman of vision and courage. I have no doubt that we will succeed in our endeavor. I realize that the way ahead will not be easy, nor do we believe that the remaining issues lend themselves to simple solutions. Great is the challenge in front of us, but so is our resolve and determination.

A few days ago President Reagan renewed his commitment to world peace in his State of the Union message. He said that he will strengthen his country's position as a force for peace and progress. He proposed to achieve that by promoting negotiations wherever both sides are willing to sit down in good faith. We support this view.

The United States can make a great contribution to peace through promoting a meaningful and unconditional dialog between Israel and all other parties willing to negotiate. No party should be excluded from this process. A further step in this direction is an American dialog with the Palestinians. This would encourage moderation and rekindle the spark of hope in the hearts of millions of your friends.

Ladies and gentlemen, permit me to invite you to rise in a tribute to our dear friend, President Reagan, and his esteemed spouse, Mrs. Reagan, to each and every American, and ever-growing friendship between our two nations.

Thank you.

Note: President Reagan spoke at 9:43 p.m. in the State Dining Room at the White House.

Letter Accepting the Resignation of Michael Cardenas as Administrator of the Small Business Administration
February 3, 1982

Dear Mike:

Thank you for your letter of February 3, 1982. I accept your resignation as Administrator of the Small Business Administration with sincere regret, effective today.

Your service to the Nation in this capacity, especially your support of the Administration's economic program, has been greatly appreciated. I know that in the years ahead you will be able to look back with pride on your many accomplishments as an advocate of small business.

I wish you all future success and happiness, and I look forward to your continued participation in the Administration.

Sincerely,

RONALD REAGAN

[The Honorable Michael Cardenas, Administrator, U.S. Small Business Administration, Washington, D.C. 20416]

Dear Mr. President:

I regretfully submit my resignation as Administrator of the U.S. Small Business Administration.

Mr. President, I leave this position with the full realization that we have accomplished many of the objectives that we initially set out to achieve for the benefit of the small business community. Unfortunately, too little of our success in this regard reached public attention.

The Small Business Administration, under my leadership has been a strong advocate of your economic recovery program. I want to assure you of my continued support of these programs and your administration.

I remain, as always, a strong small business advocate.

Respectfully,

MICHAEL CARDENAS

[The President, The White House, Washington, D.C. 20500]

Note: The text of the letters was made available by the Office of the Press Secretary on February 4.

Remarks at the Annual National Prayer Breakfast
February 4, 1982

Thank you very much, John, all our friends and distinguished guests here at the head table, and all of you very distinguished people. Nancy and I are delighted to be with you this morning, and are honored to be here.

General Dozier, I know you don't like being praised for what you only consider was doing your duty. Forgive me, I'm going to pull rank on you. [*Laughter*] We want to give thanks to God for answering our prayers. We want to salute the Italian authorities for their brilliant rescue, and, Jim, we just want to thank both you and Judith for your gallantry. Welcome home, soldier.

Someone once said that a hero is no braver than any other man. He's just brave 5 minutes longer. Well, General, you were brave 42 days longer. And now we know why prayer breakfasts are a time for praise and celebration.

Last year, you all helped me begin celebrating the 31st anniversary of my 39th birthday. [*Laughter*] And I must say that all of those pile up, an increase of numbers, don't bother me at all, because I recall that Moses was 80 when God commissioned him for public service, and he lived to be 120. [*Laughter*] And Abraham was 100 and his wife Sarah 90 when they did something truly amazing—[*laughter*]—and he lived to be 175. Just imagine if he had put $2,000 a year into his IRA account. [*Laughter*]

Those of you who were here last year might remember that I shared a story by an unknown author, a story of a dream he had had. He had dreamt, as you recall, that he walked down the beach beside the Lord. And as they walked, above him in the sky was reflected each experience of his life. And then reaching the end of the beach, he looked back and saw the two sets of footprints extending down the way, but suddenly noticed that every once in a while there was only one set of footprints. And each time, they were opposite a reflection in the sky of a time of great trial and suffering in his life. And he turned to the Lord in surprise and said, "You promised that if I walked with You, You would always be by my side. Why did You desert me in my times of need?" And the Lord said, "My beloved child, I wouldn't desert you when you needed Me. When you see only one set of footprints, it was then that I carried you."

Well, when I told that story last year, I said I knew, having only been here in this position for a few weeks, that there would be many times for me in the days ahead when there would be only one set of footprints and I would need to be carried, and if I didn't believe that I would be, I wouldn't have the courage to do what I was doing.

Shortly thereafter, there came a moment when, without doubt, I was carried. And now, we've seen in General Dozier's life such a moment. Well, God is with us. We need only to believe. The Psalmist says, "Weeping may endure for a night, but joy cometh in the morning."

Speaking for Nancy and myself, we thank you for your faith and for all your prayers on our behalf. And it is true that you can sense and feel that power.

I've always believed that we were, each of us, put here for a reason, that there is a plan, somehow a divine plan for all of us. I know now that whatever days are left to me belong to Him.

I also believe this blessed land was set apart in a very special way, a country created by men and women who came here not in search of gold, but in search of God. They would be free people, living under the law with faith in their Maker and their future.

Sometimes, it seems we've strayed from that noble beginning, from our conviction that standards of right and wrong do exist and must be lived up to. God, the source of our knowledge, has been expelled from the classroom. He gives us His greatest blessing, life, and yet many would condone the taking of innocent life. We expect Him to protect us in a crisis, but turn away from Him too often in our day-to-day living. I wonder if He isn't waiting for us to wake up.

There is, as Pete so eloquently said, in the American heart a spirit of love, of caring, and a willingness to work together. If we remember the parable of the Good Samaritan, he crossed the road, knelt down, and bound up the wounds of the beaten traveler, the Pilgrim, and then carried him into the nearest town. He didn't just hurry on by into town and then look up a caseworker and tell him there was a fellow back out on the road that looked like he might need help.

Isn't it time for us to get personally involved, for our churches and synagogues to restore our spirit of neighbor caring for neighbor? But talking to this particular gathering, I realize I'm preaching to the choir. If all of you worked for the Federal Government, you would be classified as essential. We need you now more than ever to remind us that we should be doing God's work on Earth. We'll never find every answer, solve every problem, or heal every wound, but we can do a lot if we walk together down that one path that we know provides real hope.

You know, in one of the conflicts that was going on throughout the past year when views were held deeply on both sides of the debate, I recall talking to one Senator who came into my office. We both deeply believed what it was we were espousing, but we were on opposite sides. And when we finished talking, as he rose he said, "I'm going out of here and do some praying." And I said, "Well, if you get a busy signal, it's me there ahead of you." [*Laughter*]

We have God's promise that what we give will be given back many times over, so let us go forth from here and rekindle the fire of our faith. Let our wisdom be vindicated by our deeds.

We are told in II Timothy that when our work is done, we can say, "We have fought the good fight. We have finished the race. We have kept the faith." This is an evidence of it.

I hope that on down through the centuries not only is this great land preserved but this great tradition is preserved and that all over the land there will always be this one day in the year when we remind ourselves of what our real task is.

God bless you. Thank you.

Note: The President spoke at 9:23 a.m. in the International Ballroom at the Washington Hilton Hotel. He was introduced by Senator John Stennis of Mississippi.

In his remarks, the President referred to Senator Pete V. Domenici of New Mexico.

Remarks of President Reagan and President Mohamed Hosni Mubarak of Egypt Following Their Meetings

February 4, 1982

President Reagan. Ladies and gentlemen, President Mubarak and I have just completed a most fruitful and wide-ranging set of meetings. Our discussions were frank and cordial and covering a number of matters of mutual concern. President Mubarak's visit demonstrates more clearly than any words the continuity of American-Egyptian relations and reflects the strong ties that bind us together.

Foremost among these ties is our belief in, and commitment to, a peaceful solution to the Arab-Israeli dispute. President Mubarak has assured us that Egypt remains committed to a peaceful solution of this conflict. And to that end, we'll spare no effort to achieve a comprehensive peace as set forth in the Camp David agreement.

During our talks, we reaffirmed our commitment to press ahead with the autonomy talks in order to reach agreement on a declaration of principles, which is the best means of making tangible progress toward a solution of the Palestinian problem in all its aspects as envisaged by Camp David.

We reviewed our mutual concerns about the strategic threats to the region and reconfirmed our indentity of views on the need to work closely together. We discussed in some detail our economic and military assistance programs. We agreed to consult regularly on methods of implementing and improving them. These consultations have, in fact, already been—or begun, I should say, among our principle advisers.

And, finally, let me just say that it has been a pleasure having this opportunity to further my personal relationship with President Mubarak. I'm confident that we will be working closely together to achieve those many goals that are in the mutual interest of our two countries.

Thank you very much, and, President Mubarak, we've been delighted to have you here.

President Mubarak. Thank you, sir.

Ladies and gentlemen, I'm very pleased with the outcome of my talks with President Reagan. As he just stated, the discussions we held were frank and cordial. They were very fruitful as well.

I welcomed the reaffirmation, the continuation of the U.S. role as a full partner in the peace process. We are determined to pursue our peace efforts until a comprehensive settlement is reached according to the Camp David accords.

I intend to maintain close cooperation and consultation with President Reagan and his administration. And we are looking forward to seeing him in Cairo.

Thank you very much.

Note: President Reagan spoke at 11:05 a.m. to reporters assembled at the South Portico of the White House.

Earlier, the two Presidents met in the Residence along with members of their delegations.

Remarks at a White House Briefing on Regulatory Relief and Small Business

February 4, 1982

I just have an opening statement here, and then we'll turn you over to the Vice President and this august group.

An essential part of this administration's program for economic recovery is revising or eliminating Federal regulations that place needless burdens on people, businesses, and State and local governments. As we strive to control taxing and spending, we must also cut back government regulations that are anticompetitive, excessively stringent, or just plain unnecessary.

Federal regulations and paperwork impose a particularly heavy burden on the new businessman and the small businessman. Small firms don't have the luxury of large staffs to fill out government forms, and they can't afford high-powered Washington lobbyists.

Large corporations also pay a high price for unneeded regulations. Much of the burden takes the form of growing budgets for lawyers and accountants, costs that are handed on to the consumer. But the men and women who run small businesses must shoulder these burdens directly. Often they are the only ones who know enough about their companies to complete all the detailed government forms, leaving that much less time to do what they do best—managing their organizations and developing better products and services.

A vigorous small business sector is essential to a productive and competitive economy. For all of the talk in Washington about government creating new jobs, most of the new jobs actually created are in small private enterprises. Between 1969 and 1976, 82 percent of all the new jobs were in businesses employing a hundred or fewer employees, and 66 percent were in companies with 20 or fewer employees. Currently 38 percent of our gross national product is produced by small business, and small business continues to be our most prolific source of innovation. So, this administration's regulatory relief program, headed by Vice President Bush, is paying special attention to regulations that come down hardest on small firms.

In a moment I'll turn the lectern over to the Vice President, who will announce a new series of deregulatory initiatives focused on the concerns of small businesses. But first I want to say a few words about the Information Collection Budget for Fiscal Year 1982, which is being released this morning.

The Information Collection Budget, or paperwork budget, sets limits on the burdens imposed in the private sector by Federal forms and recordkeeping requirements. Under the Paperwork Reduction Act of 1980 most Federal forms and recordkeeping requirements must be approved by the Office of Management and Budget.

One of the requirements for approval is a sound estimate of the total workload measured in hours. The form will impose on all of the individuals who will have to fill it out an important step in realizing annual reductions in paperwork by streamlining or eliminating forms.

We've made some real progress. When I took office Americans were spending over 1½ billion hours each year filling out forms and records to satisfy Federal laws and regulations. Think of it. That's a workload greater than the entire work force of the automotive industry. We will be eliminating nearly 200 million hours of this wasteful burden by the end of the year, a reduction of over 1 hour of costly paperwork for every man and woman in the United States. This means a savings of productive effort equal to that of 95,000 people working 40 hours a week for an entire year. And, as the details in the budget illustrate, many of these savings come from reducing tax and regulatory forms that are unusually burdensome to small businesses.

These paperwork reductions are a good start, but they're only a start. The budget that we're releasing this morning still does not document all of the Federal paperwork that must be identified and reduced. And, as you will see in a moment, many of the issues that are being designated for revision by my Task Force on Regulatory Relief are based upon complaints from small companies about unnecessary paperwork.

So, now I'm going to turn over the proceedings to Vice President Bush to discuss these issues with you. And thank you very much.

Note: The President spoke at 11:26 a.m. in Room 450 of the Old Executive Office Building.

The 66-page document mentioned in the President's remarks is entitled "Information Collection Budget of the United States Government—Fiscal Year 1982."

Statement About the Intermediate-Range Nuclear Force Negotiations

February 4, 1982

On November 18, I announced a broad program for peace. In that address, I stated that the delegation that was about to depart for Geneva for negotiations with the Soviet Union on intermediate-range nuclear forces would carry with it the U.S. proposal, according to which the U.S. would forego the planned deployment of Pershing II and intermediate-range ground-launched cruise missiles if the Soviet Union dismantled its SS–4, SS–5, and SS–20 missiles.

On Tuesday, February 2, at Geneva, the United States submitted to the Soviet Union a draft treaty, embodying that proposal, in order to move the negotiations forward as rapidly as possible. Such a treaty would be a major contribution to security, stability, and peace.

I call on President Brezhnev to join us in this important first step to reduce the nuclear shadow that hangs over the peoples of the world.

Note: On the same day, the Office of the Press Secretary released a statement by Assistant to the President for Communications David R. Gergen. The statement, which he read at the daily press briefing, was in response to the Soviet Union's proposal made at Geneva, Switzerland, that United States and Soviet intermediate-range nuclear missiles be reduced by two-thirds by 1990. The statement, which follows, also addressed charges made on February 3 by Soviet President L. I. Brezhnev that the United States was not seriously negotiating at Geneva.

We reject the accusation that the United States is stalling the INF negotiations, and we are familiar with this Soviet proposal for phased reductions from an alleged current balance. The Soviet "balance" is based on selective use of data and is not a meaningful basis for negotiations. We are negotiating in good faith and have made a serious and far-reaching proposal which we believe provides a sound basis for agreement.

Letter Accepting the Resignation of Martin Anderson as Assistant to the President for Policy Development

February 4, 1982

Dear Marty:

It is with deep regret, and solely out of respect for your wishes, that I accept your resignation as Assistant to the President of the United States of America for Policy Development.

I am sorry Ed Meese and I have been unsuccessful in our attempts to change your mind and persuade you to stay in your key position. But I am well aware of your strong desire to return to the Hoover Institution to resume your research and writing.

Your advice and counsel over the years, especially in helping formulate my basic policy strategy in economic and domestic affairs, have been invaluable.

The service you have rendered to the country by your scholarly research and writing and your unique ability to translate ideas into campaign issue positions and then into effective national policy is deeply appreciated, as you know.

I am indebted to you personally for your dedication and the many contributions you have made to "our crusade" through the years.

I am pleased that you have agreed to continue to help me by serving as a member of both the President's Economic Policy Advisory Board and the President's Foreign Intelligence Advisory Board.

Thus, in a very real sense, I am counting on you to remain active in the development of our policies as we go forward.

Now that we are once again fellow "Fellows" at the Hoover Institution, Nancy and I extend to you our best wishes as you enter this new phase of your distinguished career in academic life and public service.

I look forward to a continuing close working relationship with you in the years ahead.

Sincerely,

RON

[The Honorable Martin Anderson, Assistant to the President for Policy Development, The White House, Washington, D.C. 20500]

Dear Mr. President:

As you know, I have been planning to return to my research and writing at the Hoover Institution for some time now. At your request, I agreed to serve as Assistant to the President for Policy Development during the initial stages of your Administration to help lay the groundwork for the successful achievement of the policy goals we both share.

Now that this has been established, and consistent with my desire to resume my academic career, as we have discussed, I believe the time has come to submit my resignation as Assistant to the President for Policy Development, effective March 1, 1982.

It has been an extraordinary pleasure and experience to work with you over the past few years—in the presidential campaigns of 1976 and 1980, and especially during the past year in the White House.

Your personal efforts, strength and conviction have been a major factor in the intellectual and political revolutions which have taken place in this country during the last two decades. The changes in public policy you have achieved thus far in your Presidency are of historic magnitude and their effects will be felt and appreciated for many years to come.

I am honored and very pleased to have had the opportunity to assist you in the accomplishment of these goals as a member of the White House staff.

Although I am returning to the Hoover Institution, I continue to feel very much part of your Administration and I look forward to working with you and other members of your staff and Cabinet in the ways you and I have discussed.

With best regards,

MARTIN
Assistant to the President for Policy Development

Nomination of James C. Sanders To Be Administrator of the Small Business Administration

February 4, 1982

The President today announced his intention to nominate James C. Sanders to be Administrator of the Small Business Administration. He would succeed Michael Cardenas, whose resignation the President has accepted.

Mr. Sanders started his career as an insurance broker with the Aetna Life & Casualty Co., San Francisco, Calif., in 1950. In 1951 he cofounded the insurance partnership of Sanders & Sullivan in San Jose, Calif. He became president of Sanders & Sullivan in 1965 and served in that capacity until 1979. At that time Sanders & Sullivan merged into Corroon & Black, national and international insurance brokers. He later served as chairman and chief executive officer. Mr. Sanders is currently Associate Administrator for Management Assistance, Small Business Administration.

Mr. Sanders is an engineering graduate from the University of Kansas and attended Stanford as a post graduate. He served in the United States Navy in 1944–47. He has five children and resides in San Jose, Calif. He was born November 7, 1926, in Kansas City, Mo.

Nomination of Tony E. Gallegos To Be a Member of the Equal Employment Opportunity Commission

February 4, 1982

The President today announced his intention to nominate Tony E. Gallegos to be a member of the Equal Employment Opportunity Commission for a term expiring July 1, 1984. He would succeed Daniel E. Leach.

Since 1952 Mr. Gallegos has been with Douglas Aircraft Co. of California. During the 29 years with Douglas Aircraft Co., Mr. Gallegos has held various management positions, most recently that of manager of the equal opportunity programs.

He has served as president of the Mexican-American Opportunity Foundation in Los Angeles, Calif. He has also served as chairman of the board of directors of American GI Forum, Veteran Outreach Program.

Mr. Gallegos graduated from Bisttram Art Institute (B.A., 1951). He is married, has two children, and resides in Pico Rivera, Calif. He was born February 13, 1924, in Montrose, Colo.

Appointment of Edwin L. Harper as Assistant to the President for Policy Development

February 5, 1982

The President today announced the appointment of Edwin L. Harper as Assistant to the President for Policy Development. He will succeed Martin Anderson, whose resignation is effective March 1, 1982.

Mr. Harper is currently Deputy Director of the Office of Management and Budget. As head of the Office of Policy Development and Assistant to the President, Mr. Harper will report to Edwin Meese III, Counsellor to the President. He will brief the President regularly on domestic matters.

Mr. Harper will prepare the domestic policy agenda for the President and will be charged with seeing that policy development and the decision process are moving in a timely manner. He will also be an ex officio member of all of the Cabinet Councils.

Prior to assuming his present position as Deputy Director of OMB, Mr. Harper was in private business, holding positions with INA Corp., CertainTeed Corp., and Emerson Electric Co. in 1973–81. In 1969–72 he served in the White House as Special Assistant to the President and Assistant Director of the Domestic Council. Mr. Harper was at the Brookings Institution and Rutgers in 1965–68.

Mr. Harper has served as Chairman of the President's Council on Integrity and Efficiency, the coordinating body of agency Inspectors General and others involved in the President's campaign against fraud, waste, and abuse.

He graduated from Principia College (1963) and received his Ph. D. in 1968 from the University of Virginia. He is married to the former Lucy Davis, and they have two children: Elizabeth, 14, and Peter, 6. Mr. Harper is 40 years old.

Nomination of Veronica A. Haggart To Be a Member of the United States International Trade Commission

February 5, 1982

The President today announced his intention to nominate Veronica A. Haggart to be a member of the United States International Trade Commission for the remainder of the term expiring June 16, 1984. She would succeed Catherine May Bedell.

Miss Haggart is currently a partner with the law firm of Heron, Haggart, Ford, Burchette & Ruckert in Washington, D.C. Previously she was an attorney with the firm Pope Ballard & Loos in 1978–81; law clerk with Cole Corette & Bradfield in 1976; law clerk with the Department of Justice, Criminal Division, in 1975; and special assistant to the Assistant Secretary of Agriculture, 1973–75.

Miss Haggart graduated from the University of Nebraska (B.A., 1971) and Georgetown University Law Center (J.D., 1976). She resides in Washington, D.C., and was born September 6, 1949, in Lincoln, Nebr.

Proclamation 4895—National Scleroderma Week
February 5, 1982

By the President of the United States of America

A Proclamation

Scleroderma, a disease that causes hardening of the skin, is a serious connective tissue disorder which affects not only the skin, joints and muscles, but certain internal organs of the body as well. Although the disease can occur at any age, it usually affects several thousands of middle-aged Americans during their productive years and is more prevalent among women than men.

The outlook for victims of scleroderma has improved significantly in recent years. In the past three years, medical researchers have discovered that aggressive treatment with newly-developed antihypertensive drugs succeeds in lowering blood pressure, improving kidney function, and saving lives.

Advances in medical research and education mean that scleroderma patients can now look forward to the opportunity to live more productive and happy lives. Additional research findings and early treatment and diagnoses are vitally needed if we are to eliminate scleroderma and improve the quality of life for its victims.

To increase awareness of scleroderma, recognize progress, and emphasize the need for a continued effort to defeat this disease, the Congress has, by Senate Joint Resolution 57, designated the week of February 7 through February 13, 1982, as National Scleroderma Week.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim the week of February 7 through February 13, 1982, as National Scleroderma Week. I urge the people of the United States and educational, philanthropic, biomedical research and health care organizations to work together to discover the cause and cure of scleroderma and other rheumatic diseases and to alleviate the suffering caused by these disorders.

In Witness Whereof, I have hereunto set my hand this 5th day of Feb., in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 3:58 p.m., February 5, 1982*]

Proclamation 4896—National Poison Prevention Week, 1982
February 5, 1982

By the President of the United States of America

A Proclamation

The pills and medication we use to relieve pain and sickness as well as the products we use in our homes are a boon for the consumer, but they may also be hazardous to the health of our children. Instinctively, very young children place things within reach into their mouths, including household substances which may be poisonous when not used as intended.

The well-being—even the lives—of our children depend on parental care and alertness. Medicines and other household products must be stored out of reach and, preferably, out of sight. Unfortunately, the warning, "KEEP OUT OF REACH OF CHILDREN," has become so commonplace that it is often carelessly ignored. Because children are naturally curious, parents and those responsible for child care must exercise strict supervision and provide the training which can help eliminate cases of accidental poisoning.

Over the years, manufacturers have

worked to improve the quality of child-resistant packaging. Local communities have taken the lead in developing programs which stress the use of safety packaging for potentially toxic substances and emphasize the need for their proper storage, handling, and. disposal. Poison control centers have streamlined their operations to provide better service to the public by informing consumers of appropriate first aid, improving treatment procedures, and participating in poison prevention programs. Through increased public awareness and cooperation, we can build upon the progress of the past two decades and actually eliminate the serious injuries to our children which result from the abuse of harmful products.

To aid in encouraging the American people to learn of the dangers of accidental poisoning and to take such preventive measures as are warranted, the Congress, by a joint resolution approved September 26, 1961 (75 Stat. 681), requested the President to issue annually a proclamation designating the third week in March as National Poison Prevention Week.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate the week beginning March 21, 1982, as National Poison Prevention Week.

In Witness Whereof, I have hereunto set my hand this 5th day of Feb., in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 3:59 p.m., February 5, 1982]

Message to the Congress Reporting Budget Rescissions and Deferrals

February 5, 1982

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report wenty-two rescission proposals of fiscal year 1982 funds totaling $10,655 million.

In addition, I am reporting revisions to even deferrals previously reported, which ncrease the amount deferred by $768 milion, as well as 14 new deferrals of funds otaling $2,334 million.

The rescission proposals affect Internaional Development Assistance programs, nd programs in the Departments of Agriulture, Commerce, Education, Energy, Housing and Urban Development, Labor, nd Transportation as well as the Institute f Museum Services.

The deferrals affect International Security Assistance programs, and programs in the Departments of Agriculture, Commerce, Defense, Energy, Interior, Justice, Labor, State, and Transportation as well as the District of Columbia, the Pennsylvania Avenue Development Corporation, the Small Business Administration and the United States Railway Association.

The details of each rescission proposal and deferral are contained in the attached reports.

RONALD REAGAN

The White House,
February 5, 1982.

Note: The attachments detailing the rescissions and deferrals are printed in the Federal Register *of February 10, 1982.*

Announcement of Additional Distribution of the Cheese Inventory of the Commodity Credit Corporation

February 5, 1982

The President today authorized the immediate release of an additional 70 million pounds of surplus cheese from the Commodity Credit Corporation's inventory. The Department of Agriculture will release the cheese without cost to States for distribution to needy persons.

Authorization for release of 30 million pounds was made on December 22, 1981. About 25 million pounds have already been ordered.

States will have until July 1, 1982, to order from the most recent authorization. Consideration will be given to specific requests from States for distribution, rather than by an allocation procedure. Agreements may be extended to those States having already signed for a portion of the original 30 million pounds.

As with the initial distribution, cheese must be distributed locally by charitable, non-profit organizations, including food banks. The cheese will be distributed in 5-pound blocks.

USDA's Food and Nutrition Service regional offices have signed agreements for the original 30 million pounds with 42 States, 16 of which have begun distribution. Agreements with the remaining States are in progress. No State has declined to participate.

About 547.4 million pounds of cheese are currently in the CCC inventory.

Announcement of Increased Funding for the Mine Safety and Health Administration

February 6, 1982

The President announced today that he will reduce by $2 million a previously announced budget rescission for the Department of Labor's Mine Safety and Health Administration (MSHA) in 1982. This will allow MSHA to lift the hiring freeze and hire coal mine inspectors and support personnel up to a level consistent with prefreeze employment levels. In addition, the President will send to Congress an amendment increasing the level of funding in fiscal year 1983 for protecting the health and safety of the Nation's coal miners.

The proposed funding increase will be used to help combat conditions in the Nation's coalfields, which have suffered a recent series of disastrous mine explosions and multiple fatal accidents, and to reduce sharply, historically and persistently high injury rates in the coal mining industry. The amendment requests an additional $15 million for the Labor Department's Mine Safety and Health Administration in their cooperative efforts with coal operators and miners to improve health and safety practices and conditions at the Nation's 5,900 coal mining operations.

In announcing the proposed amendment, the President emphasized to the mining industry and the mineworkers that their mutual responsibilities and roles in health and safety are of paramount importance in reversing the recent upswing in injuries and deaths.

Remarks and a Question-and-Answer Session With Reporters at the Fiscal Year 1983 Budget Signing Ceremony
February 8, 1982

The President. Good morning. I am here to sign copies of the budget. I'm sure you're all aware that these aren't exactly the entire budget; it weighs a lot more than this. This is the part that we sign. And this budget that we're submitting is the second step, really, in our program to try and bring government spending back in line with government's revenues.

We are staying with our tax program because we believe it is absolutely essential to stimulate the economy and make us able to provide more jobs. And in the last decade, we have had instances of tax increases—double the taxes in the 5 years between '76 and '81—and in those 5 years, we had the biggest deficits the country has ever had. We believe that the reduction in rates does not mean a reduction in revenues, that as the economy takes hold—from all the evidence we've had in this century of such tax cuts—the government will get more money instead of less.

As for the budget, we've continued—and everyone has and we're as guilty as all—in referring to these as budget cuts. There has been no budget cut. There have been cuts in the rate of increase in spending. This budget that I'm signing is bigger than the 1982 budget. The '82 was bigger than the '81, and the '81 was bigger than the '80. What we are doing is reducing a rate of increase that, when I became President, was running at 17.4 percent, far ahead of what any increase or any tax revenues could bring in, which meant continuing to go deeper and deeper into the trillion dollar debt.

The '81 budget—we reduced this to about 14 [percent]. While it was not our budget—it was in place when we came here—we did reduce it by managing to get some savings that we secured during this past year. The '82 budget would have been only about half of that higher rate had it not been for the recession. But, even so, it will be reduced to an increase of about 10.4. And this budget will bring the rate of increase down to 4½ percent, the lowest that it has been since 1969.

It is not true that it is balanced on the backs of the needy. We are still continuing to increase sizably our spending on social programs.

So now—I know you have a question or two—I'm going to sign this. That will be weekend reading for Tip O'Neill. [*Laughter*] I'll send the pen with it because he may want to make some further cuts in it. [*Laughter*] And this one for Howard Baker.

Q. Mr. President, you say it's not balanced on the backs of the poor and the needy, but that's what the Democrats are saying already, and they're coming up with lots of stories about people who are suffering because of the budget cuts that are already in place. What do you say?

The President. Yes, and they'll probably try to find horror stories and, incidentally, this is something I think all of you ought to be on guard against. In times such as this—and I had previous experience as a Governor with this happening—there are those out there in government employ who will, if possible, sabotage and deliberately penalize some individual who actually is not supposed to be penalized in order to get a story indicating that the programs are not working.

Our programs are intended to direct the help toward the truly needy, to tighten up administrative procedures wherein people who do not have real need have enjoyed the benefits of these programs.

As a matter of fact, our outlays for the elderly, $210 billion in this budget, and that's more than double the amount that was spent as recently as 1978. Income assistance, not counting social security, is $61 billion in this budget, and in the 1980 budget it was only $47 billion.

Q. Mr. President, what about this $92 billion deficit? Even some Republicans are going to have trouble with that, aren't they?

The President. Listen, we all have trouble, and we all regret it. And that budget—how big would that budget be if we didn't have last year's $40 billion worth of budget savings that we had already passed? This has come upon us because of the recession.

The recession, I believe, was—well, actually, the recession started in 1979, and then in the last 6 months of 1980, which by coincidence was an election year, the money supply was increased at the fastest rate ever in our history, 13 percent. But as that increase in money supply went up, so did inflation to almost 14 percent, the interest rate 21½ percent, and unemployment was around 8 million. We didn't start the decline this year, in the recession, to the present 9 million unemployed from a full employment; it was an increase over 8 million already unemployed.

Now, adding that million unemployed added the additional amount over and above our projected deficit, because it costs about $25 to $27 billion—billion—for each 1 percent of increase in the unemployment rate.

Now, what our plan is aimed at doing—the combination of the regulations, the tax program, and the reduction of the increase in spending—is to get this economy moving again to where we can produce jobs for our people. And as we do so, that same $25, $27 billion figure could be reversed.

Our goal is still a balanced budget. We cannot achieve it as early as we thought because of this recession which, I think, caught all of us by surprise.

Q. Mr. President, Tip O'Neill renewed his charge that you've forgotten your roots, and this is a budget for the rich. That's what he told us.

The President. I would like to have them give a specific on where this is a budget for the rich. The bulk of the personal income tax cut goes right across from the lower income to middle America. The average people who pay about 72 percent of the tax are getting 74 percent of the savings. The tax breaks we've given business, which they themselves supported, were breaks to enable business to finally catch up with our competitors worldwide. We're the lowest of the seven industrial nations in investment in plant and equipment and research.

Q. He says you cut Medicaid, Medicare, food stamps, the programs that the truly needy, as you say, need the most.

The President. There are still 21 million people going to get food stamps. And it is not cutting the needy and those who need it the most, it is actually, as I've said, aimed at better administration based on some of the experiences we had when we reformed welfare in California and found out that there were people who were technically, under the Federal regulations, eligible for government help, but should not have been getting it on the basis of their lack of need.

Do we honestly believe that someone whose parents earn in six figures is entitled to have food stamps because they're going to college? That's what's been going on. Any number of cases of that kind where there is abuse. And these are the things that we believe can be corrected by the tighter administration.

I've heard that argument from up on the Hill. I've never heard them substantiate it in any way. As a matter of fact, I know that Tip says that I associate with the country club crowd. Well, I've only played golf once since I've been President, and he's an inveterate golfer, and I'm sure he must have to go to a country club to play golf.

Q. Do you think we're teetering on the brink of bankruptcy?

The President. If this country were a business and had to cash out its assets and meet all its obligations, not only including the budget debt but the unfunded—by billions of dollars—liability for further future pension payments and so forth, this country would be declared bankrupt because the assets couldn't sell for what the liabilities are. But this country is not going to go bankrupt. I have faith in the people, and I have faith, as I've said, we're not to the point that we're actually reducing the budget to a lower figure than it has been the year before. Now that did happen in recent years, and I envy the man who did it. President Eisenhower was able one year to actually bring in a budget that was smaller than the budget he had the year before.

And incidentally, his fifth budget in office, as I understand it, was lower than the budget he inherited from the preceding Democratic administration. But I shouldn't use the word, because we want bipartisan support for our program.

Q. Thank you very much, Mr. President.

Q. How about those Argentinian troops in El Salvador? [*Laughter*]

The President. Wait a minute. Where's their pay item in the budget? [*Laughter*]

Note: The President spoke at 11:08 a.m. in the Oval Office at the White House.

Message to the Congress Transmitting the Fiscal Year 1983 Budget
February 8, 1982

To the Congress of the United States:

One year ago, in my first address to the country, I went before the American people to report on the condition of our economy. It was not a happy occasion.

Inflation, interest,. and unemployment rates were at painfully high levels, while real growth, job creation, new investment, personal savings, and productivity gains had virtually ceased. Our economy was staggering under the burden of excessive tax rates, double-digit inflation, runaway Government spending, counter-productive regulations, and uneven money supply growth. The economy, I declared, was in the "worst mess" in half a century.

To our great good fortune, there were many in the Congress who understood the nature of our difficulties and who rose with us to meet the challenge. Fundamental and long-overdue remedies were proposed and put in place. Together, we enacted the biggest spending and tax reductions in history. Counter-productive regulations have been swept away, and the Federal Reserve has taken action to bring excessive monetary growth under control.

The first year of the 97th Congress will be remembered for its decisive action to hold down spending and cut tax rates. Today, the question before us is whether the second year of this Congress will bring forward equal determination, courage, and wisdom. Clearly, there is a great deal more to be done.

Some seek instant relief from the economic problems we face. There is no such panacea. Our program began October 1, and it cannot solve in 4 months problems that have been building for more than 4 decades. All the quick fixes tried in the past not only failed to solve but actually aggravated our economic difficulties. They simply ensured a new cycle of boom and bust, of exaggerated hopes and eventual disappointment.

We did not promise the American people a miracle. We did promise them progress, and progress they will get.

Our goal was and remains economic recovery—the return of non-inflationary and sustained prosperity. We seek a larger economic pie to provide all Americans more jobs, more after-tax income, and a better life. Quick fixes won't get us there.

What will get us there is firm resolve and unwavering adherence to the four fundamentals of our economic recovery program that I outlined to the Congress 1 year ago:

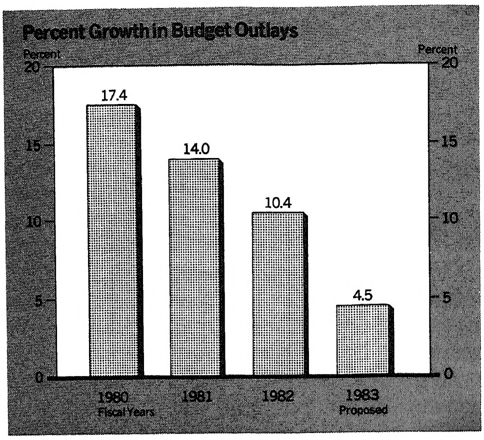
- Reducing personal and business taxes to stimulate saving, investment, work effort, and productivity.
- Reducing the growth of overall Federal spending by eliminating Federal activities that overstep the proper sphere of Federal Government responsibilities.
- Reducing the Federal regulatory burden in areas where the Federal Government intrudes unnecessarily into our private lives or interferes unnecessarily with the efficient conduct of private business or of State or local government.
- Supporting a moderate and steady monetary policy, to bring inflation under control.

At the same time, I have proposed strengthening the Nation's defenses, to restore our margin of safety and counter the Soviet military buildup.

Congressional response to these proposals has been positive and gratifying. While much remains to be done, we have made a good beginning.

The Nation's fiscal policy is now firmly embarked on a new, sound, and sustainable course. For the first time in 2 decades, the destructive pattern of runaway spending, rising tax rates, and expanding budgetary commitments has been slowed, and with the cooperation of the Congress this year, will finally be broken.

- Where the growth rate of spending had soared to 17.4% in 1980, it is now declining dramatically—to 10.4% this year, and, under the budget I am submitting, to 4.5% next year.
- Where budget growth totaled $166 billion from 1979 to 1981, spending will rise by only 60% of that amount from 1981 to 1983, despite cost-of-living adjustments and the needed defense buildup.
- After having reached 23% of GNP in 1981, the Federal Government's claim on our economy will steadily recede—to 22% in 1983 and to below 20% by 1987.
- After a decade of tax-flation in which fiscal and monetary excess fueled the unrelenting rise of prices and the automatic increase of taxes, significant tax rate reductions have been enacted. A permanent safeguard against bracket creep and Government profiteering on inflation—income tax indexing—has also been created.
- Where Government had passively tolerated the swift, continuous growth of automatic entitlements and had actively shortchanged the national security, a long-overdue reordering of priorities has begun, entitlement growth is being checked, and the restoration of our defenses is underway.



This dramatic progress in reordering fiscal policy has been paralleled by a similar redirection of monetary policy. The excessive, unsustainable, and eventually ruinous growth of money and credit of the past decade has been curbed. The inflation spiral has been broken. The growth of prices is slowing down. Peoples' savings are beginning to flow out of unproductive speculation, tangible assets, and other inflation hedges back into the Nation's financial arteries where they will be available to power economic recovery, more jobs, and growing incomes and opportunities.

THE BUDGET TOTALS

[In billions of dollars]

	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
Budget receipts	599.3	626.8	666.1	723.0	796.6
Budget outlays	657.2	725.3	757.6	805.9	868.5
Surplus or deficit (−)	−57.9	−98.6	−91.5	−82.9	−71.9
Budget authority	718.4	765.5	801.9	858.0	943.5

In short, we are putting the false prosperity of overspending, easy credit, depreciating money, and financial excess behind us. A solid foundation has been laid for a sound dollar, sustained real economic growth, lasting financial stability, and noninflationary prosperity for all Americans.

We are also moving to shackle the regulatory juggernaut that burdened production, consumed jobs, and diminished productivity growth. During the past year no significant new regulatory statutes were enacted and few major new regulations were imposed. Additions to the *Federal Register* declined by 23,000 pages. Benefit-cost analysis was made mandatory for regulations. Dozens of existing regulations were reviewed, modified, or eliminated. Without taking into account billions of dollars of savings from regulations never formally proposed because of the changed climate our program has created, quantifiable one-time cost savings of over $3 billion and recurring annual savings of nearly $2 billion have been realized. And the effort has just begun.

A Year of Historic Achievement

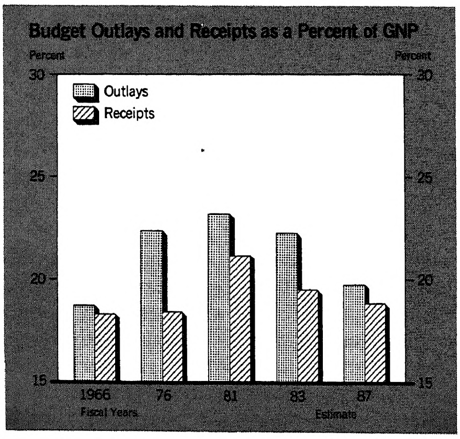
These remarkable achievements are the cornerstones of our national economic recovery program. They far exceed anything that the skeptics and critics ever dreamed possible just 1 year ago. They occurred because the executive and legislative branches of our Government joined together to respond to the mandate of the American people and overcome the impediments that had paralyzed Washington for a decade. Together, we have launched a process of reform and change that can transform the course of events.

The Economic Recovery Tax Act of 1981 is the largest, most comprehensive, and most constructive tax bill ever adopted. With the cooperation of the Congress and support of the public, it was enacted in just 5 months. It addressed and substantially remedied most of the tax system's shortcomings and disincentives that had accumulated over decades—distortions that were imposing an increasingly heavy toll on investment, economic growth, and job creation.

- The penalty tax rate on investment income has been eliminated. By dropping the top rate from 70 to 50%, the attractiveness of tax shelters will be reduced and the incentives for productive investment in stocks, bonds, new business ventures, and other financial assets will be increased. Our Nation's capital will again flow to the growth of business and jobs rather than to the vendors of protection from punitive taxation.
- Marginal tax rates have been significantly lowered for the first time in two decades. The 23% across-the-board rate reduction will mean $183 billion in lower taxes for individuals over the first 3 years. The financial reward for savings, work effort, and new production will stop diminishing and start rising once again.
- Powerful new incentives for savings have been established. Beginning this year, 50 million workers will be eligible for the first time to set aside tax-free up to $2,000 per year for Individual Retirement Accounts. The annual limit for existing Keogh and IRA investors will also be raised. By sharply altering the incentives for saving as opposed to consumption, a huge new flow of current income will be channeled toward restoring our productivity and lifting our national savings rate from last place in the industrial world.
- The taxation of phantom corporate profits has also been significantly curtailed. The new accelerated cost recovery system will shorten depreciation periods to 5 years for machinery and 15 years for structures. This will permit fuller recovery of asset costs, a more valid accounting of taxable profits, and a reasonable after-tax return on investments for the first time in years. By eliminating the drastic under-depreciation provided in previous tax law, after-tax business cash flow will be increased by $10½ billion this year and $211 billion over the next 6 years. This growing stream of funds for modernization, new machinery, new technology, new products, and new plants will revive our lagging productivity, restore our competitiveness in world markets, and spur the steady growth of jobs, production, and real incomes.
- The confiscatory taxing of estates and inheritances has been halted as well. By raising the exemption to $600,000, by lowering the rate to 50%, and by removing the limits on the marital deduction, 99.7% of all estates will eventually be exempt from estate taxation. Hard-working American farmers, small businessmen, investors, and workers can once again be confident that the sweat, sacrifices, and accumulations of a lifetime will belong to their heirs rather

than their Government.

- Government profiteering on inflation has been abolished. Beginning in 1985, the individual income tax brackets, the zero-bracket amount, and the personal exemption will be corrected annually for inflation. Bracket creep will never again systematically plunder the rewards for production and effort. Government will never again use inflation to take a rising share of the people's income without a vote of their representatives.


Budget Outlays and Receipts as a Percent of GNP

The past year's achievements on spending control and the reestablishment of budgetary discipline are no less impressive than the sweeping tax changes. For the first time ever, the Congress activated its central budgetary machinery and overcame the spending impulses of its fragmented parts. The Omnibus Budget Reconciliation Act of 1981 was a watershed in fiscal history—a giant step toward the restoration of fiscal discipline. By the accounting of its own Congressional Budget Office, spending will be $35 billion lower this year and about $130 billion lower over the next 3 years due to just one bill passed in only 5 months after having been considered by 30 different committees, a bill that reduced, reformed or eliminated hundreds of programs. The growth of budgetary outlays is at last being brought in line with the growth of the tax base and the national income. Excess spending commitments, unnecessary programs and overlapping activities were meaningfully addressed in the Reconciliation Act for the first time in decades.

- As a result of congressional action in 1981, the growth of entitlements will be reduced by $41 billion during the next 3 years. For the first time, eligibility standards for food stamps and student loans have been tightened. Unemployment benefits have been targeted to States where they are needed. Subsidies for non-needy students have been reduced in the school lunch program. Abuses of the medicaid, nutrition, and AFDC programs have been curtailed, saving $14.4 billion over the next 3 years. Overly generous and unaffordable twice-a-year cost-of-living adjustments for Federal retirees have been eliminated. The "uncontrollables" are being brought under control, and benefits have been retargeted where they are most needed.
- Dozens of ineffective or counter-productive programs have been eliminated or reduced. The $4 billion make-work CETA public sector jobs program was abolished. Extravagant dairy subsidies have been cut substantially. The ineffective $700 million Economic Development Administration is being phased out. The Community Services Administration has been eliminated. An unnecessary $2 billion in Government subsidies for new energy supplies and technologies has been cut. The excessively-funded impact aid program was substantially scaled back. In short, a long-overdue housecleaning of excess budgetary commitments was accomplished.
- Inappropriate Federal subsidies have been withdrawn. Legislation to return Conrail to the private sector has been enacted. The National Consumer Cooperative Bank has been privatized. Subsidies to the auto industry for new technology demonstrations have been eliminated. Operating subsidies to local mass transit systems are being phased out. Subsidies to exporters have been sharply curtailed. Subsidized disaster loans to financially viable businesses have been eliminated.
- A major stride toward rationalizing the structure, reducing the cost, and increasing State and local flexibility in the Nation's $91

billion grant-in-aid system has been enacted. Fifty-seven narrow, redtape-ridden categorical grants programs have been replaced with 9 block grants. The pages of regulation imposed on State and local governments have been reduced from over 300 to 6, while the cost to the Federal budget has been reduced.

- Total funding for nondefense discretionary programs has been reduced. After continuous growth for two decades, the budget cost of these programs will actually decline from $137 billion in 1981 to $130 billion in 1982.
- An impressive start at reducing fraud, waste, abuse, and unnecessary Government overhead was made. The President's Council on Integrity and Efficiency, established to coordinate a Government-wide attack on fraud and waste, saved $2 billion in the last 6 months of 1981 alone. A comprehensive effort to collect $33 billion in delinquent debts has been launched and will recover $1.5 billion in 1982 and $4.0 billion in 1983. These estimates include recoveries of delinquent taxes due to the Internal Revenue Service. Federal nondefense employment has been reduced by 35,000 since January 1981. The cost of Government travel, publications, and consultants has been reduced substantially.

At the same time that the Congress joined in these long-overdue efforts to pare back the size of the Federal budget and slow its momentum of growth, it has fully supported our ambitious but essential plan to rebuild our national defense. A year ago every component of military strength was flashing warning lights of neglect, underinvestment, and deteriorating capability. Today, health is being restored.

- Pervasive deficiencies in readiness—including too many units not ready for combat, too many weapons systems out of commission, too few people with critical combat skills, and too few planes and ships fully capable of their missions—are being corrected. Funds for operations and maintenance, including training and aircraft flying hours, have been boosted. Backlogs of combat equipment needing repair are being eliminated. Adequate supplies of spare parts necessary to support high operating rates for training, as well as to provide war reserves, are being purchased.
- The serious inadequacy in pay and benefits that threatened the all-volunteer force, caused an exodus of skilled personnel, and sapped morale throughout the armed services has been corrected. Last year's 14.3% pay increase has improved recruit quality, boosted reenlistment rates, stopped the drain of critical skills, and contributed to the dramatic revival of morale in our military services. End-strength goals are now being exceeded. In addition, the percentage of recruits with higher test scores has risen in the past year.
- Critical investments in conventional and strategic force modernization are now moving rapidly forward. A new bomber for early deployment and an advanced (Stealth) bomber for the 1990's have been approved to retain our capability to penetrate Soviet air defenses. Development of a new, larger, and more accurate MX missile to preserve our land-based deterrent is proceeding. A 5-year shipbuilding program including 133 new ships and a total investment of $96 billion—double the 5-year program of the previous administration—has been launched. Rapid production of new combat systems including the M–1 Abrams tank, the AV–8B Marine Corps attack aircraft and the F/A–18 Navy tactical fighter have been approved. Improvements in our airlift and sealift forces to transport equipment and soldiers rapidly to counter military aggression anywhere in the world, are moving forward.

No Time To Retreat

These achievements of the first year truly constitute a new beginning. In every major dimension of national strength and well-being we have launched the redirection of policy that was so desperately needed and so long overdue. We are ending the destructive inflation and the financial disorder built up over a decade. We have removed the yoke of over-taxation from our workers and our business enterprises. We have begun to dismantle the regulatory straitjacket that impeded our commerce and sapped our prosperity. And we have reversed the dangerous erosion of our military capabilities.

The task before us now is a different one, but no less crucial. Our task is to persevere; to stay the course; to shun retreat; to weather the temporary dislocations and pressures that must inevitably accompany the restoration of national economic, fiscal, and military health.

The correction of previous fiscal and monetary excesses has come too late to avert an unwelcome, painful, albeit temporary business slump. In the months ahead there will be temptation to resort to pump-priming and spending stimulus programs. Such efforts have failed in the past, are not needed now, and must be resisted at every turn. Our program for permanent economic recovery is already in place. Artificial stimulants will undermine that program, not reinforce it.

Likewise, previous excesses in money and credit growth have resulted in financial strain in many regions and sectors of our national economy. The adjustment to lower inflation and a more moderate money and credit policy did not come soon enough to avoid interest rates and unemployment far higher than we would like, and that we are working to reduce. But these effects are temporary. They cannot be remedied by a return to rapid, unsustainable expansion of Federal spending and money growth, which would drive inflation and interest rates to new highs. Our hard-won gains in reducing inflation must be preserved and extended—because permanent reduction of interest rates and unemployment is impossible if the fight against inflation is abandoned, just when it is being won.

Similarly, our budget deficits will be large because of the current recession, and because it is impossible in a short period of time to correct the mistakes of decades. But our incentive-minded tax policy and our security-based defense programs are right and necessary for long-run peace and prosperity, and must not be tampered with in a vain attempt to cure deficits in the short-run. The answer to deficits is economic growth and indefatigable efforts to control spending and borrowing. These principles we dare not abandon.

The Deficit Problem: Its Origins

Despite the new course we have charted and the gains we have achieved, the voices of doubt, retreat, and rejection are beginning to rise. They conveniently forget that the present business slump was not caused by our program but is the result of the accumulated burdens of past policy errors, which we have taken action to redress. They fail to comprehend that our spending cuts and tax reductions were not designed to redistribute the output of a stagnant economy, but to revive the economy's growth and to increase its size—for the jobless as well as the affluent, for those who aspire to get ahead as well as those who have already arrived.

Increasingly, the larger budget deficits that we unavoidably face are offered as evidence that our entire course should be recharted. The matter of budget deficits, therefore, must be addressed squarely. We must fully comprehend why they have grown from our original projections, why they may remain with us for some time to come, what dangers they pose if not vigorously combatted and what steps we can and must take to steadily reduce their size and drain on our available savings.

Our original plan called for a balanced budget in 1984. Balance is no longer achievable in 1984, but the factors that have postponed its realization are neither permanent nor cause for abandoning the goal of eventually living within our means.

In the near term, the most important setback to our budgetary timetable is the recession now underway. During 1982, receipts will decline by $31 billion and outlays rise by $8 billion due to the fall-off of business activity and the increase of unemployment-related payments. This factor alone accounts for nearly all of the difference between the $45 billion 1982 deficit we projected last year and our current estimate of $98.6 billion.

While the recession will end before this fiscal year is over, its budgetary impact will spill over for many years into the future. It will take time for the unemployment rate to come down and safety net payments to diminish. The growth of receipts will recover, but not at the levels previously projected. This will add billions to deficits for 1983 and 1984.

The second major factor widening the deficit projection is interest payments on our trillion dollar debt. Here we are being penalized doubly for the misguided policies of the past.

The discredited philosophy of spend and spend, borrow and borrow, saddled us with a permanent debt burden of staggering dimensions. This year's interest payment of $83 billion exceeds the size of the entire Federal budget as recently as 1958.

In addition, past fiscal, monetary, and credit excesses have resulted in temporarily high interest rates—rates that will come down, but only as inflation abates, private and public financing practices adjust, and long-term confidence rebuilds. Since market confidence has been so badly shaken by runaway inflation and interest rates in the past 3 years, it is apparent that interest rates over the next several years will fall less rapidly than we had originally anticipated. Between the huge inherited base of national debt, the higher interest rates, and the large prospective additions to the national debt in the next several years, our total debt service costs will rise substantially.

Interest payments on the debt will exceed our original projections by $18 billion in 1982, $32 billion in 1983, and $182 billion over 1982–86 taken as a whole. The interest rate/debt service factor, then, constitutes a major source of the setback to our budget timetable. But let us be clear about its origins: it arises primarily from a legacy of past excesses, not from a shortfall in our current budget control efforts, nor from a flaw in our overall program.

The third and most important factor contributing to the growth in deficit projections is quite simply the ironic by-product of our rapid and decisive success in bringing down the rate of inflation. Our economic forecast last February projected a 9.5% inflation rate in calendar year 1981 and a further decline to 7.7% in 1982. This projection was scorned by many as too rosy just 1 year ago. Yet the actual inflation rate in 1981 turned out to be lower than our projection, and the inflation decline this year and next year almost certainly will exceed our earlier projections.

This is welcome news to every American and we have adjusted our inflation forecast accordingly. But lower rates of price increase also mean lower inflation components in wages and incomes and a reduced flow of inflation-swollen tax receipts to the Treasury.

This point is not merely academic. Over the next 5 years, our forecast projects a 9.9% average rate of growth in nominal GNP reflecting a steady fall of inflation to about 4½% by 1987. If nominal GNP growth were just 2% higher each year, reflecting a continuation of higher inflation, Federal receipts would be enlarged by the staggering sum of $353 billion over the 5 years. On paper, at least, the budget would be nearly balanced in 1987 rather than more than $50 billion in deficit.

But if the last decade offers any lesson, it is that we cannot inflate our way to budget balance. Indeed, every budget from 1975 forward projected a balanced budget 2 years into the future and growing surpluses in the out-years. Not one of these surpluses materialized for a very compelling reason: the monetary excesses needed to finance inflationary growth of wages and incomes are the enemy of savings, investment, real economic growth, and fundamental business confidence and financial stability. They lead to the kind of pervasive economic breakdown that we experienced during 1979–81—a breakdown that swells Government spending, interrupts the flow of receipts, and causes prospective budgetary surpluses to vanish in a flow of red ink.

Thus, we cannot and will not pursue the will-o'-the-wisp of reflation nor the phantom of future budget surpluses premised on a continuance of high inflation.

Instead, we must recognize that for a period of time, success in our unyielding battle against inflation will appear to work against our goal of a balanced budget. Thus, while our current revenues will reflect the decline of inflation today, part of our current outlays will reflect the higher rates of inflation in years past. This is especially true in the case of some $249 billion in indexed programs. Generally, the inflation rate used to adjust indexed benefits lags a year or more behind the current payment period. During 1983, for example, an inflation rate of 6.5% is projected, but cost-of-living adjustments to social security and other program benefits will be 8.1% based largely on the actual inflation experience of 1981. Much the same is true of the $96.4 billion in debt service for 1983. Some part of that will reflect the higher cost of debt securities issued in 1980–82 when inflation and interest rates will have been higher than is now projected for 1983.

Thus, the conquest of inflation will contribute to budgetary imbalance for some years to come. But these deficits will prove manageable if we understand why we have them and redouble our efforts to reduce them.

The final factor contributing to the worsening of the deficit outlook is that all of the budget savings we had planned for last year were not actually achieved. Most importantly, our plan to ensure the short- and long-run solvency of social security was discarded by the Congress. In an effort to eliminate partisanship and facilitate movement toward a constructive solution, our reform proposal has been withdrawn in favor of a bipartisan commission charged with developing a plan to rescue the social security system by next fall. I am confident that the commission will do just that, but in the meanwhile our outlay projections must be increased by $6 billion in 1983 and $18 billion for 1987.

Likewise, the Congress failed to adopt all of the reforms we proposed for medicaid, guaranteed student loans, food stamps and other entitlements. Without further action, about $4 billion would be added to the 1983 deficit in these areas alone. While major and unprecedented action was taken to curb the growth of entitlements last year, the shortfall is still substantial. Entitlement reforms not acted upon by the Congress last year will add nearly $20 billion to the deficit over the next 3 years. When this is combined with substantial added outlays for farm subsidies and for discretionary programs that were not reformed, it is clear that the task of budget control is far from complete.

The Budget Deficit in Perspective

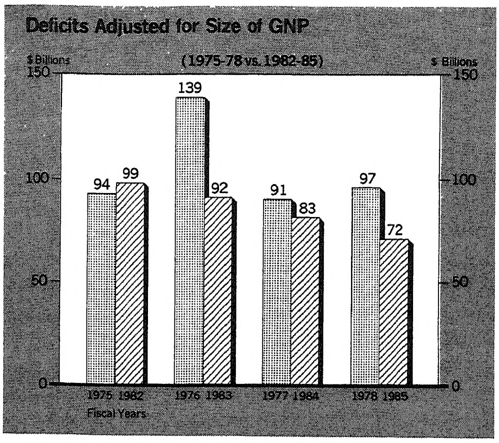
Taken together, the effects of recession, higher interest rates, declining inflation, and incomplete congressional action will mean high, continuing, and troublesome Federal budget deficits. Constant vigilance and relentless efforts to pare back future spending and borrowing will be imperative to ensure that they are not permitted to worsen and add further pressure to financial markets and interest rates.

Nevertheless, three features of these high deficit numbers must not be lost sight of even as we seek eventually to eliminate them.

First, even the 1982 deficit of $98.6 billion is not unprecedented in the context of a recession and recovery cycle. Relative to the present size of the U.S. economy, the budget deficit would have been $94 billion for 1975, followed by deficits of $139 billion, $91 billion and $97 billion in the next 3 years, respectively.

Second, these deficits reflect the excess spending commitments of past rather than new spending programs with potential to grow in the future. That means that by remaining firm in our efforts to reduce waste and excess, reform entitlements, reduce low priority spending, and gradually return domestic programs back to State and local governments, the gap between spending subject to firm fiscal discipline and revenues being lifted by steady economic expansion will gradually diminish.

Finally, the share of GNP taken in taxes will be substantially lower and the incentives for savings markedly stronger. This expansion of the total savings supply will increase our capacity to absorb deficits and give us additional time to work toward their elimination.



$239 Billion Deficit Reduction Plan

The prospect of high deficits during the transition to strong economic growth and low inflation contains a profound warning: any relaxation of our budget control efforts, any backsliding to spending politics as usual, any retreat to time-worn excuses about "uncontrollables"—that results in spending growth significantly above our projections, will mean a serious threat to the progress of our entire economic recovery program. There is precious little margin for shirking or diluting the task the American people have charged us with. That task is nothing less than a constant, comprehensive, ceaseless search for ways to reduce the size of Government and the future growth of its spending.

The 1983 budget I am presenting to the Congress faithfully adheres to that mandate. If all proposed measures are adopted, the prospective deficit will be reduced by $56 billion next year, $84 billion in 1984, and $99 billion in 1985. In short, the budget this year represents much more than simply a tabulation of accounts or a compilation of spending decisions, large and small. Instead, it represents a far-reaching, resourceful, and integrated blueprint for reducing the prospective deficit by $239 billion over the next 3 years. It is a bold action plan that, if faithfully implemented, can cut the prospective deficits over that period by nearly 50%.

Our plan for deficit reduction consists of five parts. It addresses each area of the budget where actions to reduce the gap between spending and revenues are possible and desirable.

The first area concerns nonsocial security entitlements. Despite the heartening progress we made toward reform last year, the cost of these automatic spending programs will rise to $201 billion in 1983 without further action. This figure compares to only $119 billion in 1979.

Thus, our 1983 budget proposals continue the objective set out previously: to reduce the swift growth of automatic entitlements while preserving benefits for the truly needy. If acted upon fully by the Congress, these new reform measures will save $12 billion next year and $52 billion over the next 3 years. They include new steps to tighten eligibility, reduce errors and abuse and curtail unwarranted benefits in the welfare, medical, and nutrition programs. The explosive growth of medical programs—16.7% per year since 1978—will be contained with tighter reimbursement standards for providers, modest copayment requirements for medicaid beneficiaries, and, later in the year, a comprehensive plan to reform the health care reimbursement system and provide new cost control incentives for all participants. We have also proposed measures to target guaranteed student loans better to those with financial need and to limit the cost growth of Federal military and civilian retirement programs.

Nevertheless, let me be clear on this point. Our administration has not and will not turn its back on our elderly or needy citizens. Under our new budget, funding for social insurance programs will be more than double the amount spent only 6 years ago. For example, the Federal Government will subsidize 95 million meals every day. That is one of every seven of all meals served in America. Headstart, senior nutrition programs, and child welfare programs will not be cut from the levels we proposed last year.

The second component of our deficit reduction plan covers domestic discretionary and other programs for purposes ranging from agricultural research to housing subsidies and manpower training. Our proposed savings here total $14 billion next year and $76 billion over the next 3 years.

These savings measures involve two essential principles. First, where programs are unnecessary, can be better targeted or can be significantly streamlined, we have proposed substantial reductions. Our proposals to convert the fragmented and wasteful CETA training program to a block grant, to target low-income energy assistance to the colder States where it is needed, to combine the WIC program with the child and maternal health block grant, and to further reduce subsidies to business for energy technology development and commercialization are all examples of this principle.

The other principle governing discretionary programs is that we have generally not provided inflation allowances for them. This will provide a powerful incentive to reduce overhead, waste, and low-priority activities and ensure that the money we spend for many worthwhile purposes in the areas of education, transportation, community development, and research is utilized in the most efficient and productive manner possible. Our deficit problem is simply too severe to permit business as usual to continue any longer.

The third component of the deficit reduction program involves user fees, or more appropriately, the recovery of costs borne by the taxpayers generally, but that predominantly benefit a limited group of businesses, communities or individuals. Total savings would amount to $2.5 billion in 1983 and $10 billion over the next 3 years.

While the Congress made great strides on most of our proposed budget cuts last year, the user fees proposals were a noticeable and disappointing departure from this pattern. The case for action now is even stronger than it was last year. With sacrifices required of almost every beneficiary of Federal programs, it is simply inexcusable and intolerable that yacht owners escape without paying even a small part of the Coast Guard services; or that commercial and general aviation are not paying the cost of the air traffic control system that ensures their safety; or that ship and barge operators do not pay a fair share of the costs of waterways maintained by the Federal Government. Our user fee package corrects these and similar shortcomings in current budget policy and will contribute significantly toward reducing the deficit.

The fourth part of the plan is aimed at the executive branch and the most inexcusable of all forms of spending: lax management, the toleration of fraud and abuse, the failure to recover debts owed the Government or to dispose of properties it does not need, and outdated, inefficient, procurement practices.

Our fiscal plan has always assumed that our new management would take hold, and that savings would be possible in areas we have simply never looked at before. After 1 year, our new mangement team has indeed taken hold, the results to date have been impressive, and our plans for future savings are bold and farreaching. All told, these efforts will reduce the budget deficit by $20 billion next year and $68 billion over the next 3 years.

We will collect the debts we are owed and the taxes we are due. New legislation will be needed in some cases, but much of these savings will flow from tighter, more aggressive management throughout executive branch agencies.

Likewise, we will move systematically to reduce the vast Federal holdings of surplus land and real property. It is estimated that the Federal Government owns approximately 775 million acres, and 405,000 buildings, covering about 2.6 billion square feet. Some of this real property is not in use and would be of greater value to society if transferred to the private sector. During the next 3 years we will save $9 billion by shedding these unnecessary properties while fully protecting and preserving our national parks, forests, wildernesses and scenic areas.

Our management efforts will also be directed toward the more cost-effective procurement of the goods and services required by the Federal Government. The changes we seek will increase competition for the Government's business, reduce and simplify paperwork and regulations, and develop better standards for our procurement processes and personnel. Over time these efforts will yield large outyear savings not included in the budget totals.

Finally, our emphasis thus far has been on reducing excessive tax rates and shrinking the Government's take from the paychecks of workers and the profits of business. On that principle we will not waver. But that does not mean unintended loopholes should go uncorrected, that obsolete tax incentives should be continued, or that profitable business should not contribute at least some minimum fair share to the cost of financing Government. Thus, our deficit reduction plan includes $34 billion over the next 3 years in additional receipts from new initiatives in these areas.

About one-third of this total is attributable to our proposal to strengthen the minimum corporate tax, and a substantial share of the other tax revisions will also affect business. In every case, these measures involve the collection of a tax that is owed now or that was intended by the Congress, or elimination of incentives that are no longer needed due to the sweeping reform of business taxation contained in the Economic Recovery Tax Act of 1981.

These new proposals will have no adverse impact on our economic recovery program, are fair and equitable, and will contribute significantly to the reduction of future deficits.

Continuing the Restoration of National Defense

Our 1983 budget plan continues the effort begun last year to strengthen our military posture in four primary areas: strategic forces, combat readiness, force mobility, and general purpose forces.

A thorough 8-month review of U.S. strategic forces and objectives preceded my decision this past October to strengthen our strategic forces. The review found that the relative imbalance with the Soviet Union will be at its worst in the mid-1980's and hence needs to be addressed quickly. It also concluded that the multiple protective structure basing proposal for MX did not provide long-term survivability since the Soviets could counter it (at about the same cost) by simply deploying more warheads.

In addition, our review pointed to serious deficiencies in force survivability, endurance, and the capability to exercise command and control during nuclear war. Current communications and warning systems were found to be vulnerable to severe disruption from an attack of very modest scale.

The 1983 budget funds programs to correct these deficiencies. The 1983 strategic program of $23.1 billion, an increase of $6.9 billion over 1982, provides for both near-term improvements and longer-term programs. These initiatives include:

- Early deployment of cruise missiles on existing bombers and attack submarines.
- Acquisition of a new bomber (the B–1B) and development of advanced technology (Stealth) bomber for deployment in the 1990's to provide a continued capability to penetrate Soviet defenses.
- Development and procurement of a new, larger, and more accurate land-based missile, the MX.
- Continued deployment of Trident ballistic missile submarines to strengthen the sea-based leg of our strategic deterrent.

Longer-term programs include: development of a survivable deployment plan for the MX missile, development of a new submarine-launched ballistic missile, continued improvements in the survivability of warning and communications systems, and improvements in strategic defenses against both bomber and missile attacks.

The 1983 budget provides $114.3 billion in operations and military personnel costs, an increase of over $13 billion from the 1982 level to improve the combat readiness of our forces.

Today a major conflict involving the United States could occur without adequate time to upgrade U.S. force readiness. Our concerns with military readiness reflect both the long lead time required to procure sophisticated equipment (both parts and finished equipment) and past failures to provide adequate peacetime support for combat units. We cannot wait for a period of rising tensions before bringing forces up to combat readiness.

My program will continue to bolster combat readiness by increasing training, operating rates, and equipment support.

There will be increased aircraft flying hours and supply inventories. In addition, backlogs of combat equipment and real property awaiting maintenance will be reduced. Also, the 1983 budget will provide levels of military compensation that will improve the readiness and capability of the All Volunteer Force.

Current U.S. mobility forces cannot move the required combat or combat support units fast enough to counter effectively military aggression in Europe, Korea or in the Southwest Asia/Persian Gulf region. For example, at present only a small light combat force could be moved rapidly to the Southwest Asia region. Major mobility shortages include wide-body military cargo aircraft; fast logistics ships; and prepositioned ships and associated support equipment. Elimination of these shortages is an essential first step toward improving U.S. military capability during the first 30 days after the beginning of a crisis.

The 1983 budget provides $4.4 billion for:

- Initial procurement of a fleet of improved C–5 cargo aircraft, and additional KC–10A tanker/cargo aircraft that will double our wide-bodied military airlift capability by the 1990's.
- Continued upgrading of existing C–5A aircraft to extend their effectiveness beyond the year 2000.
- Conversion of four additional fast logistic ships that will provide the capability to move heavy combat forces rapidly.
- Chartering a fleet of supply ships that can be stationed with equipment and supplies in Southwest Asia to reduce the time required for deployment of heavy forces.

In the last decade, the Soviet Union introduced large quantities of highly capable, new-generation tactical equipment including combat ships, tanks and aircraft, which must be countered by modernized U.S. forces. Also, the traditional U.S. superiority in system quality has been considerably narrowed, making Soviet quantitative advantages more serious. The Soviet military force buildup has increased the risk that they may rely on military power to support their foreign policy goals. For the U.S. to maintain, in concert with our allies, sufficient conventional forces to deter potential aggression, our forces must be provided with adequate numbers of new, modern tactical equipment.

My 1983 budget includes $106.2 billion for general purpose forces (including both operations and investment), an $18 billion increase over 1982. A key initiative is an expanded shipbuilding program. The United States, dependent on open seas for commerce and military resupply, must have the naval capability to maintain control of vital sea lanes. While our naval forces have declined from the mid-1960's, the Soviets have in existence or under construction eight new classes of submarines and eight new classes of major surface warships, including nuclear-powered cruisers and new aircraft carriers.

The budget provides an $18.6 billion shipbuilding program including full funding for two nuclear-powered aircraft carriers, to be constructed during 1983–87. Other ships included in my 1983 program are three large cruisers equipped with an advanced air defense system; two nuclear-powered attack submarines; two frigates for convoy protection and four mine countermeasure ships to improve fleet capability to operate in mined waters. My longer term objective is to increase the deployable battle force from 513 ships in 1982 to over 600 by the end of the decade.

In addition, the budget provides for increased production of ground and tactical air force weapons. Production rates will be increased for a variety of new systems such as the M–1 Abrams tank, light armored vehicles, and the AV–8B Marine Corps attack aircraft.

All of this will be done with a major reform of the acquisition process and vastly improved management of defense operations, which will save $51 billion by 1987. In a continuing fight against fraud, waste, and inefficiency, the Secretary of Defense has appointed an Assistant for Review and Oversight and a Council on Integrity and Management Improvement.

Revitalization of American Federalism

The Constitution provides clear distinctions between the roles of the Federal Government and of the States and localities. In their wisdom, our founding fathers provided for considerable flexibility so that in following centuries these responsibilities could be adapted to new conditions. But in recent years we have not adapted well to new conditions. We have created confusion as to who is responsible for what. During the past 20 years, what had been a classic division of functions between the Federal Government and the States and localities has become a confused mess. Traditional understandings about the roles of each level of government have been violated.

Governments at all levels have had and will continue to face various problems. But, as Governor of California, I learned that a problem in one part of the country does not automatically mean that we need a new Federal program in all 50 States. Yet that is what has happened.

In 1964, total Federal grants to State and local governments were $10 billion. By 1980, total Federal grants to States and localities exceeded $90 billion, meaning that 18% of Federal tax receipts were being passed through to States and localities for one reason or another. However, these funds were not passed through entirely benignly. Attached to them were Federal rules, mandates, and requirements. This massive Federal grantmaking system has distorted State and local decisions and usurped State and local functions.

I propose that over the coming years we clean up this mess. I am proposing a major effort to restore American federalism. This transition over nearly 10 years will give States and localities the time they need to plan for themselves when and how to meet State and local needs that are now being met with Federal Government funds. My proposal will also make available to the States and localities the tax resources that would otherwise fund these programs by the Federal Government.

In coming weeks, we will have intensive discussions with local and State officials, the Congress, and many others to hammer out a proposal I will soon send to the Congress. Essentially, I believe the Federal Government should assume full responsibility for the medicaid program which assures adequate health care for the poor. In contrast, financial assistance to the poor is a legitimate responsibility of States and localities. I am proposing, therefore, that the aid to families with dependent children (AFDC) and food stamp programs be turned over to the States. This swap will clarify responsibilities substantially because these programs will become the clear responsibility of one level of government or another. That responsibility is now mixed.

In addition, I propose that more than 40 current grant-in-aid programs costing the Federal Government about $30 billion a year be turned back to the States and localities, along with the funds to pay for them. During the period 1984–87, these programs will be funded by a specially designated set of taxes to be used exclusively for financing this transition program. These taxes will be deposited in a fund that will belong to the States. Each State will be able to make its own decision on how rapidly to phase out the turnback programs. This is because each State will have two options: it may use its share of the federalism trust fund to reimburse Federal agencies for continuing to carry out turnback programs, or it may ask that the programs be terminated and then use the funds directly for whatever purposes it desires.

Beginning in 1987, the federalism trust fund will gradually be dissolved and the tax sources themselves will be made available to the States.

The key to this program is that the States and localities make the critical choices. They have the time to make them in an orderly way. A major sorting out of Federal, State and local responsibilities will occur, and the Federal presence and intervention in State and local affairs will gradually diminish.

Conclusion

While some administration proposals have been turned down, turned aside, or compromised by the Congress, the overall assessment of the past year's action on the budget is heartening. Cooperation, support, goodwill, and a genuine sense of national purpose have enabled us to make significant progress in setting the Federal Government's affairs in order and America on the road to economic recovery.

I urge the Congress to approach the new, or renewed, proposals in this budget in the same spirit and with the same goodwill as it did my proposals of a year ago. Much has been accomplished. This budget proposes that more be done.

The proposals set forth in this budget will not be accepted readily. They are a second challenging installment of a politically difficult, yet necessary, program. In their specifics, these proposals will undoubtedly be altered by the Congress. The general direction we must travel, however, is clear. I urge the Congress to weigh these budget proposals thoughtfully, and to join me, and my administration, in a constructive effort to curb the growth of Federal spending and to provide for the Nation's security. We must, in the end, roll up our sleeves, face our responsibilities squarely, and persevere at the unending task of setting, and keeping, the Nation's affairs in order.

RONALD REAGAN

February 8, 1982.

Note: The President's message is printed in the report entitled "Budget of the United States Government, Fiscal Year 1983—Executive Office of the President, Office of Management and Budget" (Government Printing Office).

Remarks at a White House Luncheon for the National Hockey League All-Star Teams

February 8, 1982

The President. Well, ladies and gentlemen, welcome to the White House. It's wonderful to have so many representatives of this magnificent sport here.

It was a real thrill for me out there in the reception line to see Gordie Howe this afternoon. I remember my mother used to take me by the hand when I was a little boy—[*laughter*]. Gordie, would you believe I was a teenager?

Well, ice hockey may once have been overlooked, but today, thanks to the dedication of many of you right in this room, hockey is getting the attention it deserves.

Last season, I understand that the attendance at National Hockey League games was nearly 12 million. But your sport stands for far more than numbers coming through the turnstile. The victory of the U.S. hockey team, the Olympic team over the Soviets at Lake Placid back in 1980, is a vivid memory cherished by the American people. And now 10 of those boys of Lake Placid are playing on National Hockey League teams. And one of them, Mike Ramsey, is with us today. And, Mike, congratulations for making the All-Star Team.

Hockey has a long tradition of which we can all be proud. The Stanley Cup, for example, is one of the oldest, if not the oldest, sports trophy in North America. When I was a sportscaster back in the 1930's, I remember reporting the scores of the Chicago Blackhawks. That was in the days when Taffy Abel, Lionel Connaker, and Chuck Gardner were playing for the Blackhawks. It's always been a rough-and-tumble sport requiring a special breed of athlete.

Some years back—and the younger ones here will never remember it—the Carnegie Foundation got interested in investigating what they thought was the overemphasis of sports in American colleges and universities. And Knute Rockne, the coach of Notre Dame at the time, was asked by his fellow coaches to represent them in presenting another side of the story to the Carnegie Commission. And in one of his appearances before that delegation, an academician said, "Well, Coach Rockne, football is"—that was the principal target—"is such a violent sport. Why couldn't you have as much emphasis on other sports less violent?" And Rockne said, "Like what?" And he said, "Hockey." [*Laughter*] And Knute Rockne said, "Professor, I once suggested hockey to the president of Notre Dame, and he said to me, no, Notre Dame will never back a game that puts a club in the hands of an Irishman." [*Laughter*]

Over the years your sport has always been blessed with courageous and dedicated management. I'm happy that the National Hockey League chairman of the board, William Wirtz, and president, John Ziegler, were able to join us today. And while we're recognizing management, we can't leave out the name of Clarence Campbell, a man who kept this sport going for over 30 years. Clarence, a special thanks to you for all that you've done.

Now, keeping a bunch of hockey players in line's no easy job, so these fellows deserve real credit. I remember doing a film called "Hell's Kitchen" back in 1939, and it featured a group of delinquents called the Dead End Kids. They had come from New York and straight from the Bronx by way of a play called "Dead End," and they were as wild off the screen as they were on. But in one sequence the movie called for dressing them up in hockey uniforms and skates and putting them out on the ice in Madison Square Garden. And I was out there on skates too as their coach. I have the deepest appreciation of how hard it is to keep peace on the ice. [*Laughter*] And I can understand why hours of fine sportsmanship are often overlooked because of maybe a few moments now and then when tempers get short. But hockey's such a majestic contest, let's hope that public attention will focus on the nobler aspects of that sport.

The players with us today, for example, have been selected as the best of their profession. I'm certain they stand shoulder to shoulder with the top athletes in the world. Washington has our own up-and-coming hockey team, and we're more than pleased that our city's been selected for the All-Star game. We wish each of you the best of luck.

And yet, there's something more important to America about hockey than athletic achievement and trophies. This rugged sport has cemented a bond between Canada and the United States, a bond that citizens of both countries should never overlook. Canadians and citizens of the United States are more than neighbors; we're friends in the truest and deepest meaning and sense of that word. And there's no doubt that this sport represents what is best about the relationship between our two nations. Citizens from both countries compete together on the ice, cheer together in the stands for teams made up of young men from both sides of the 49th Parallel.

One of the latest sports heroes in this country is a modest young man from Ontario named Wayne Gretzky. Rumor has it, Wayne, that Washington has been trying to trade and get you here for the team. And I asked what Edmonton was getting in return, and they said two first-round picks and the State of Texas. [*Laughter*] But north of the border there are many fine people just like him, and we're happy to have them as neighbors and friends.

So, today, we salute all of you who make this wonderful game possible. Wish you luck in the contest tomorrow night. Thank you, and thank you for gracing this house in being here. God bless you.

Mr. Ziegler. Mr. President, ladies and gentlemen, I can't think and I don't think Mr. Campbell could recall an honor that's been paid to our sport and to our game than what you and your staff, in so graciously inviting us to your house. On behalf of the League, all of the members, our All-Star players, everybody connected with hockey, Mr. President, thank you so much.

When I heard that we had this gracious invitation, I suddenly had some recurring nightmares: I was here at this luncheon, and I kept breaking the china. [*Laughter*] And it wasn't that I was worried about replacing it; I was worried about the headlines: "John Ziegler Leads Another NHL Act of Violence at the White House." [*Laughter*]

It would be presumptuous of me, Mr. President, to compare in any way our positions, but I pick up the newspapers from time to time and get a lot of advice from our friends from the media, and I notice that you do too from time to time. [*Laughter*] And I was reminded the other day how much the business of our friends in the media has changed. As a matter of fact, it was from one of the respected gentlemen of the media—they said, you know, at the miracle of Christ, 20 years ago that would have been reported—with Christ walking on water—the headlines would have read, "Miracle: Christ Walks on Water." But our friends today in the media and their business, that same event would be recorded, "Exposé: Christ Can't Swim." [*Laughter*]

You mentioned, Mr. President, that the Stanley Cup, which is awarded to these outstanding athletes who vie each year over a thousand games to have their name inscribed on what I believe is the world's oldest, and certainly the most respected professional trophy. We felt that the only way that we could come close to thanking you was to see that you got what these gentlemen worked so hard for, and that is a replica of our Stanley Cup.

For a minute, if I may read the inscription: "Presented with respect and appreciation to President Ronald Reagan by the Governors, players, and officials of the National Hockey League on the occasion of the 34th National Hockey League All-Star Game, Washington, D.C., February 8th, 1982." Mr. President.

We had also heard of our President's activity as a hockey player. At that time he wore the jersey of the New York Americans. Mr. President, we were concerned that perhaps that jersey had worn out, and so we'd like to present you with an All-Star jersey that will be worn by our teams in this contest and appropriately—[*displaying the jersey with the name "Reagan" and the number "1"*]——

The President. Thank you all.

I had heard the Stanley Cup was going to be—I thought it was the real thing. [*Laughter*] And I was waiting anxiously to have it opened and displayed here. But both of these—I thank you very much, and I'm greatly honored and pleased to have them.

Note: The President spoke at 1:28 p.m. in the East Room at the White House.

Remarks at a Rally for United States Senator David Durenberger in Bloomington, Minnesota

February 8, 1982

Governor, Senator Durenberger, and Penny, our Congressmen who are here—Tom Hagedorn, Bill Frenzel, Vin Weber, and Arlan Stangeland—and an old friend who is right down here in front, known to all of us. Why don't you stand up here? I know they would all recognize you when you do. Harold Stassen. I thank all of you for that Paul Bunyan welcome.

I don't know, perhaps it's Paul Bunyan's influence that causes so many tall tales to be told in Minnesota. Dave Durenberger tried to tell me that it's been so cold that the walleyes jumped on the hooks just to get out of the water. [*Laughter*] Now, I didn't believe that. [*Laughter*] Then he tried to tell me it's been so cold that the Minnesota State bird is now a penguin. [*Laughter*] And I didn't believe that. And then he tried to tell me that it's been so cold here that the only place you can keep warm is at a Durenberger campaign rally. And that I believe.

Dave, I was going to say something about you being a Paul Bunyan yourself, and then that connotation of maybe tall tales and everything, I don't want to take away anything from what you just previously said. [*Laughter*] I don't want to infer that it might not—anyway, I appreciate it.

But this Senator has spent at least 120 days each year traveling through this State. He spends an average of 2½ days a week in Minnesota and still maintains a voting record in the Senate of 95 percent. We've got some that have forgotten about going home. They now live in Washington, and they don't have a voting record like that. If every public official served his State and the nation as well as Dave Durenberger, we could lick our problems in no time.

He's been especially helpful in our effort to reduce taxes and spending. You perhaps got that idea hearing him a few moments ago. As a member of the Finance Committee, he played a key role in such areas as a State tax reform so that family farms and businesses wouldn't have to be sold just to pay that death tax. And I can tell you, he is serving Minnesota as an independent and conscientious member.

Now, let me be honest and say that I may not always agree with Dave Durenberger—[*laughter*]—but I always listen to him. He understands the kind of people you are. In some of my speeches, I have talked about neighbor helping neighbor. And when I say such things, some of the press look at me as if I'm talking Polynesian. Well, I wish those skeptics would put aside their big city newspapers and occasionally read the weekly Kirkhoven Minnesota Banner. If they had picked up the November 12th issue, they would have seen a story about 16 farmers who helped a fellow farmer who had been seriously injured in an automobile accident. They chopped and plowed 160 acres in 6 hours to get his land in shape. They donated their time, their callouses, and their equipment. Wives and friends provided the lunch. The people of Kirkhoven exemplify the true spirit of Minnesota. And so does Dave.

I came to Minneapolis today just so I could tell the citizens of this State that I admire their Senator. I respect your values and your friendship.

And now, having said that, I'm going to talk a little bit about some of the things you've probably been hearing about back there and what's going on in Washington. In the days ahead, you're going to be submerged with demagoguery about the '83 budget, which just was sent up to the Hill to Congress today. Demagoguery—the columnist and journalist Burnham once said that when even the most skillful surgeon operates on a Democratic politician, he cannot separate demagogic from solid tissue without causing the death of the patient. [*Laughter*]

Now, in delivering that budget message, it was not easy for a conservative like myself to say that the deficit that we're estimating for that year is going to be about $90 billion. And yet, this budget represents the lowest annual increase in spending by the Federal Government in 14 years. When we took office, spending was increasing at an annual rate of about 17 percent. In '83, this budget, as adopted, as we've submitted it, that increase will be 4½ percent.

Now, you're hearing all kinds of horror stories about the people that are going to be thrown out in the snow to hunger and die of cold and so forth. Let me just talk a little about this. Maybe the biggest mistake—and we're all guilty of it—is we've used the term "cutting the budget." We haven't cut a single budget. The budget in '83 is going to be bigger than the budget this year. This year's budget is bigger than last year's as it was bigger than the one before. So, there's been no budget reduced beyond or below what the budgets have been before. We have been reducing the rate of increase that has been built in and that has been submitted to us for consideration in these budgets. Seventeen to fourteen—[*applause*]——

The safety net—for those who must depend on the rest of us, like that injured farmer—is still there. The outlays for the elderly in 1983 will be double what they were as recently as 1978. The income assistance to the needy, not counting social security, which was $47 billion in 1980, will be more than $60 billion in the new budget.

Our opponents have said that the only thing we must now do—they're horrified by the thought of a deficit, and so, therefore, they say that we must increase the taxes. Forget this business of the tax cuts that we've put into effect and that we must do this, because we must not have that unbalanced budget. We've only balanced one budget in the last 20 years, and their Congress has been in charge almost uninterrupted in both Houses of the Legislature for the last 40 years. And we have known budgets consistently.

I remember when Lyndon Johnson told us that he didn't want to break the hundred-billion mark—my, the good old days, the deficit was under a hundred billion dollars—didn't want to break that, so he submitted a budget that he said he had—lean and hard, and he had it down to $98 billion. And no one spoke up and reminded us at the end of the year that that $98 billion budget had ended up costing $137 billion.

In the last 6 months of 1980, the election months, when people were campaigning, the money supply suddenly increased by the highest rate in our history—13 percent. That was to stimulate the economy, because in 1979, what we now have, a recession, had begun to start. That—didn't need that. That was a redundancy—"begun to start." [*Laughter*] Well, it had.

With that great increase in the money supply, the interest rates went to 21½ percent. Inflation went to the neighborhood of 14 percent. We knew in, just a couple of years before, the only time in the history of this country when we had double-digit inflation in 2 years, back to back, and followed each other. The unemployment—there were about 8 million unemployed in this country. And already there were spots in which you had to say "depression."

When we took office, there were places like Flint, Michigan, where the unemployment rate was 20 percent, other communities, almost as bad, but it was spotty. So, they didn't see it as being like the worldwide and the nationwide depression that we'd had in the great thirties. But in that year of '80, we had increased the taxes—in fact, in the 5 years preceding '81, we had the biggest tax increases in our history, doubled the taxes, and, at the same time, we did all these other things, increased unemployment and increased inflation. Now, what makes them think that raising the taxes now will not do the same thing, that that is an answer, to go back to the same things that they've been doing, put the money supply on a rollercoaster, going up and going down, inflation skyrocketing.

Well, today the interest rates are about 15¾—well, there was a jump in some of the bank rates up a point or so, but they're down from what they were when we started. Inflation is down. And for the first time, we're approaching single-digit inflation. And, yes, unemployment is up because of this recession. It's the cruelest thing, I think, that can happen to people, when people who want to work and can find no work.

But here's why we believe that our tax program is their answer. This country in these recent years has had the lowest rate of savings of any of the great industrial nations on the part of our people because of our tax system. This country's industrial machine, which is now unable to compete with the other industrial nations, because we've had the lowest rate of investment in new machinery and plant and equipment—the average industrial plant and equipment in America is 17 years old. In Japan, it's only 10 years old.

Just since August when the first slight phase of our program went into effect, there has been a definite increase in the percentage of the people's earnings that is being saved. That will form the capital pool where industry and business can turn and get the money they need to expand and modernize and become once again competitive. We're not being outcompeted because the American working man isn't as good as any other. We're being outcommitted, because with the best working people in the world, we haven't given them the tools they need to compete on the international scene.

And already, we can tell you that that $90 billion deficit of 1983 will actually be smaller in proportion to the gross national product than the deficits were in '75 to '78, when we were coming out of that '74, '75 recession. Those who opposed our plan and fought against it and, indeed, were saying that it had failed before it even started, which—the start, as I say, was last October 1st—now they're strangely quiet about those last 6 months when the increases took place in inflation and in tax rates and there were 8 million unemployed. We didn't go to the present 9 million from full employment. We were pretty well on our way there to begin with.

Our plan is based on the idea that government spending, the rate of increase in government spending, must be reduced until it comes down within the limit of the normal increase in our revenues that we gain from taxation.

The second point is that we must have an economic program of taxes—as we have now—that will stimulate and offer incentives to the economy to broaden the base of the economy so that even the government will get the revenues it needs, but from smaller assessments against each individual.

And the third phase of it is thousands of regulations that have been passed over the last few decades conflicting, competing regulations inflicted on local government, on State government, and on the private sector—unnecessary regulations, some you could laugh at, if they didn't hurt so much. Well, under the Vice President, we've had a task force working on those regulations. And already, as I said the other night in the State of the Union address, there are now 23,000 fewer pages in the *Federal Record* [*Federal Register*], which lists the Federal regulations, than there were when we started a year ago. And we're going to do more.

And we have a task force at work also on fraud and waste and extravagance in government. When people say that our programs, if we're reducing the amount of money, with the increase needed for some of the social programs, we're trying to get at the people who were never intended to participate in those programs in the first place, but who, through the conflicting Federal regulations and loopholes, legally or technically are participating, and there is no real need for them to be helped at the expense of their neighbors. This is what we're trying to do and to change.

To give you an example of how much out there is to be found and how much we're counting on in the coming year, our task force just with one foray—not a nationwide investigation of this as yet—has found that in one program, 8,500 recipients of benefits are still receiving those benefits, and they have been dead an average of 7 years. That's why the other part of our program, which you can call the fourth point I proposed the other night, which is the federalism program to get government in at least 40-odd programs back into the hands of local and State governments where it can be run properly by people closest to the scene and not mismanaged by the Federal Government.

I've talked longer than I intended to, but I'm just going to say one more thing. A lot of the demagoguery you will hear will be about the fact of the defense budget, and if anything has to be cut, why don't we cut that? We don't cut it because that's what's been going on for the last several years, and it will take us until the middle of the 1980's before we can even begin to come close to equating what the Soviet Union has built up to threaten us with.

It is absolutely necessary that we restore that capacity to defend ourselves. And when I look at these young people down here—and I'm so happy to see them here and to participate—I just want to tell you one thing. When we build up our national defenses, it isn't with the idea that some day you're going to go fight a war. The idea in building them up is that we will be so strong that no other generation of young Americans will have to bleed their lives into foreign battlefields or beachheads someplace out in the oceans.

I promise you one more thing—that as we build up our national defense, our national security, we will not stop or let up one minute with getting those other fellows across the table from us and now talking legitimate arms reductions.

Well, that's all, except to tell you, you just confirm everything that Dave and I and the others there believe. You have to get about 50 miles, at least, away from the Potomac River and the District to get back to the real world.

God bless you. Thank you very much.

Note: The President spoke at 5:40 p.m. in the Celebrity Room at the Carleton Dinner Theater.

Prior to speaking at the rally, the President attended a Durenberger for Senate reception, which was also held at the dinner theater.

Interview With Local Reporters in Bloomington, Minnesota, on Budget Issues and the Federalism Initiative

February 8, 1982

Mr. Beckmann. Mr. President, welcome to Minneapolis/St. Paul, to Minnesota——

The President. Thank you. Pleased to be here.

Mr. Beckmann. ——and to the airwaves of WCCO. We're very grateful you'd take the time.

Mr. Moore. Mr. President, the figure of $92 billion is an unfathomable figure. It's almost inperceivable to us. We do know that to satisfy the deficit, to meet that deficit, the government's going to have to borrow. That's going to necessarily take away some borrowing availability of the newlywed looking for money to borrow for a home, for an automobile.

You've asked the people to tough it out, to be patient on this kind of thing. How long would you expect the newly married couple to be patient? And I realize I've reduced this to a simplistic term, but can you regard the question in that light, sir?

The President. I think they ought to— they started getting impatient quite some time ago——

Mr. Moore. Yes, indeed.

The President. ——because this is not new, what has been happening to us. This has been the result of policies that were deliberately instituted sometime ago with a belief that they could control inflation.

Mr. Moore. But how much longer, sir, can they wait?

The President. All right. All we're asking is—you know, the doctor just got here. And we've just begun to apply the medicine.

Mr. Moore. But Mr. Stockman has said that it'll be at least 1987 or through 1987 before the budget can be balanced.

The President. All right. But at the same time there's this difference—that with our tax cuts and the increase in savings, which has already begun, you know—it doesn't take much more than a 1- or 2-percent increase in savings to add billions and billions of dollars to the capital pool. The person that either buys an insurance policy or puts the money in a bank, in a savings account—that money is subsequently loaned, then, by the banks or the insurance companies, invested in industry, in growth, in mortgages, and so forth. And so, you have a pool of money that can probably handle the government borrowing as well as the rest.

But just to finish up on the answer is this: Those people who were advocating a tax increase as a method of trying to hold down the deficit—and remember, it never has— in all the years past we've had nothing but tax increases and the deficits, and the deficits grew bigger. What is the difference whether the government has to borrow the money from the people and take it out of private circulation, or take it out of circulation by taxes? Either way, the people are without the money.

Mr. Moore. Are you counting, sir, on the people to use that 10 percent to put into IRA's and other protective securities, and not spend the money?

The President. We already—some will spend it. There will be people who have long unmet needs. But we know also—and much earlier than we thought—remember that—and the present recession might have been mitigated greatly had we gotten what we originally asked for. We wanted a 10-percent cut in the income tax, retroactive to a year ago January. We finally—to compromise, to get the bill at all, we finally had to cut to 5 percent instead of 10 in the first year. And then we retreated to July instead of the last January, and finally to October 1st.

So, for 1941 [1981] our tax cut has only amounted to 1¼ percent. And yet even with that, and even with only these 4 months now since October, there is an increase in the rate of savings, and we've been—probably the lowest rate of almost all of the industrial countries in that.

Mr. Beckmann. Mr. President, a question about the current budget as it relates to your new federalism. There were the cuts or savings in domestic spending last year and more in your new budget proposal.

And last year there was a safety net, programs that would protect the truly needy, and now more cuts or savings. Obviously, last year's safety net is different from this year's safety net. Where is that safety net now, and ultimately, in your new federalism plan, will it be the province of the States to establish that safety net?

The President. No, the Federal Government, I think, will be responsible for the standards, the basic standards. But the federalism program, which would be phased in over an 8-year period—and this is one of the reasons I'm out in the country right now—we proposed a conceptual framework. That has to be fleshed out with specifics as to how it's going to operate. We are consulting with mayors, with Governors, with State legislators, with county executives all over the country for their help. We're not just saying, "Here's a plan. Take a look at it. Do you like it?" And we're getting their input as to how we can phase these more than 40 programs over to State and local control—a mandatory pass-through of those programs where the money should go on through to local governments, not just to the State level.

And we believe that the savings will be tremendous, because trying to run these programs from the Federal level—and the Federal Government is never equipped to do that; the Constitution even provides against it—the Federal Government has tried to make rules and regulations that will fit Wyoming and Montana and Los Angeles and New York City, not recognizing the great diversity of this country. They also—and I say this as a Governor who for 8 years was implementing programs under the Federal regulations—they with their redtape and with their regulations they impose extravagance on you. They so dictate the spending of every dollar that you have no leeway to say, "Well, this is a higher priority in this area, in this other program. We should be doing more of this and less of this." You had no right to do that. You had to spend the money the way they told you to spend it.

Mr. Beckmann. The safety net, though, the one that became so famous——

The President. Yes.

Mr. Beckmann. ——last year, and now with the additional cuts in your present budget, the safety net this year is something different than what it was last year. Is that accurate?

The President. No. And last year we promised that there had to be some $70 billion more in cuts over the next couple of years, and this is one of the couple of years coming up—'83.

No, we're going to take care of the people who really must be helped and who have real need. What we are trying to do is give those who are administering the programs the freedom to get rid of programs that don't work or at the same time get rid of people who actually under the technical rules may be eligible but who do not have the need that justifies their being there.

Mr. Moore. Mr. President, maybe I revert to my original question. How long would you expect the unemployed schoolteacher, of whom there will be about 8,000 in Minnesota, how long would you expect them to wait? How long can their patience go?

The President. Well, unfortunately—and as one who lived through of the Great Depression, in fact entered the work force at the depths of the Great Depression as I did, there's no one who feels more deeply than I do about the tragedy of unemployment. But I also, I hate to say this, with them listening, if you look back over the recessions, that the policies that we've known for the last few decades have brought us the '70 depression [recession], the 1974 depression [recession], and the one that we had that began in '79, this one. Unemployment is the last to come back. It is the slowest in coming back. But I believe that under our program we're going to begin to see an economic turn along about the late spring or early summer.

Mr. Moore. Sir, how would you expect industry to absorb these—and I'm talking about the unemployed middle class; I'm talking about the white-collar worker, the professional careers, the schoolteacher—how would you expect industry to absorb that great number?

The President. Well, for one reason, we're only operating at about 70 percent of capacity now. When our economy expands to full production, a great many of our unemployed are people who have been laid off now—plants that are standing there idle.

Mr. Moore. Sir, how is the economy going to expand when the interest rates go up and companies don't expand to take on these people?

The President. But we think the interest rates are going to continue going down. There may be some fluctuation as there has been in the last few weeks—as there always is at the time of a recession—coming out of a recession. But remember, the interest rates were going up before we got here. The interest rates have started going down after we got here, and we think they're going to continue to go down.

Mr. Moore. When would you expect to see the first signs of recovery, the first hint?

The President. Well, I think we've seen a few indicators right now.

Mr. Moore. But with——

The President. Not in unemployment, because I believe that's even going to get worse for a little while. But I would say that along about midyear and along about the spring, early summer, we're going to see a turn—and an upward turn in the economy.

Mr. Moore. Even though the budget has been projected into 1987 by Mr. Stockman, the deficit, that is, would not begin to show a recovery, the budget itself.

The President. Because Mr. Stockman and I and all the others in the administration, by law, are forced to project deficits out 5 years in advance. I will tell you now I don't believe anyone can. I don't believe in those. There are so many imponderables that we have complied with the law, but I will tell you that I did it knowing we don't know what we're talking about, nor does anyone else who tells you they're projecting deficits 5 years in advance.

Mr. Beckmann. Mr. President, let's go back to your new federalism plan and how it's going to affect the States. As you obviously are aware, Minnesota is one of those States which does not enjoy a good financial picture right now.

The President. I know.

Mr. Beckmann. The legislature has recently patched up a 700-million-plus deficit. With the shift of government programs to the States, even with the trust fund, which you mentioned, it's going to have a strong and a heavy impact on States like Minnesota and the other north——

The President. Not really.

Mr. Beckmann. ——States.

The President. There are going to be no winners and no losers in this. We're going to transfer the funds that are necessary to perform the programs. And the trade that we proposed, of the Federal Government taking Medicaid and in return them taking food stamps and the Aid to Dependent Children, was because the increase, annual increase in spending on Medicaid is several times greater than the increase in those other programs. So, the Federal Government, by taking that program on, is going to relieve the States of an increased burden that will begin to be reflected in them having more of their own tax revenues as well as what we give them than they would have had, had they continued participating in Medicaid.

Mr. Beckmann. Some members of your party don't agree with those numbers, thinking that the 28 really may not be enough. Obviously——

Mr. Moore. Well, the congressional leaders among your own party, sir, have expressed pessimism about this. I believe Senator Dole, the chairman of the Finance Committee, himself said that the figures are totally unacceptable. How do you expect to win congressional support——

The President. Well, I don't think they fully understand yet.

Now, we have been meeting already with Governors, mayors, and so forth, as I've told you. And those we've met with, their joy is expressed that this is something that for 30 years they've been begging for. This was something that Franklin Delano Roosevelt in 1932 spoke of and said we must return to the States and local communities authority and autonomy that has been unjustly seized with the Federal Government, and I have—the mail that has come in to me from State legislators is unbelievable in their joy. I will be addressing the Iowa State Legislature tomorrow and the Indiana State Legislature later in the same day.

Mr. Moore. You're expecting to win strong congressional support shortly?

The President. Yes. Yes, although I must tell you this: There are Members of Congress who resist giving up authority and power, and this, you must realize, this is just because it's the nature of a national government. No government in history has ever voluntarily reduced itself in size. And that's what we're going to do to the Federal Government.

Mr. Beckmann. Mr. President, thank you very much.

The President. Well, thank you. Wish we had more time.

Note: The interview began at 6:08 p.m. in the Las Vegas Room at the Carleton Dinner Theater.

The President was interviewed by Curtis Beckmann of WCCO-AM and Dave Moore of WCCO-TV.

Executive Order 12346—Synthetic Fuels

February 8, 1982

By the authority vested in me as President by Section 305(k) of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2095(k)), and having determined that the United States Synthetic Fuels Corporation is established and fully operational consistent with the provisions of the United States Synthetic Fuels Corporation Act of 1980 (Public Law 96–294; 94 Stat. 633 *et seq.*), and to provide for an orderly transition of synthetic fuel responsibilities from the Department of Energy to the United States Synthetic Fuels Corporation, it is hereby ordered as follows:

Section 1. No new awards for purchases or commitments for financial assistance shall be made under the provisions of Section 305 of the Defense Production Act of 1950, as amended.

Sec. 2. Synthetic fuels projects or actions initiated by the Department of Energy shall, to the extent provided in the Supplemental Appropriations and Rescissions Act, 1980 (Public Law 96–304; 94 Stat. 880–881), transfer to the Corporation upon a majority vote of the Board of Directors of the Corporation, and unexpended balances of the funds obligated for such projects shall be transferred to the Corporation to the extent such projects are transferred to the Corporation.

Sec. 3. The balance of the amounts not committed or not conditionally committed by the Department of Energy which were appropriated by Public Law 96–304 and Pubic Law 96–126 from the Energy Security Reserve to the Department of Energy are available as provided in the Supplemental Appropriations and Rescissions Act, 1981 (Public Law 97–12; 95 Stat. 48), to carry out the provisions of Title I of the Energy Security Act (Public Law 96–294; 94 Stat. 616 *et seq.*).

Sec. 4. Executive Order No. 12242 of September 30, 1980 is revoked.

Sec. 5. Notwithstanding the revocation of Executive Order No. 12242, the provisions of that Order shall continue in full force and effect with respect to any loan guarantee issued under the provisions of that Order.

RONALD REAGAN

The White House,
February 8, 1982.

[Filed with the Office of the Federal Register, 10:56 a.m., February 9, 1982]

Note: The text of the Executive order was released by the Office of the Press Secretary on February 9.

Address Before a Joint Session of the Iowa State Legislature in Des Moines

February 9, 1982

Governor Ray, I thank you very much. We've known each other a long time, and I appreciate more than I can say your warm words of welcome and your warm welcome here this morning.

It's good to be here with you today, but I must tell you that my real mission in Des Moines is at WHO radio. [*Laughter*] You see, some years back, as you may know, I recreated ball games on the air based on reports that came by telegraph. I would, now that I'm here, like to recreate the Rose Bowl game, and this time around you know who's going to win.

When I knew the Hawkeyes back in the thirties, they were struggling to get out of one of those low spots that come every once in a while to a school and a team. Coach Hayden Fry and quarterback Gordy Bohannon and the rest of that team rode the comeback trail all the way to the Rose Bowl.

Well, our country today is at a turning point. We've lived too long by the maxims of past decades, lost in a jungle of government bureaucracy, tangled in its web of programs and regulations. And almost all of those government initiatives were intended to relieve suffering, enforce justice, or preserve an environment threatened by pollution. But for each ounce of blessing, a pound of freedom was quietly stolen.

An all-intrusive Federal Government with Federal Government's big taxing and big spending doesn't work, never has worked, and never will. Those who cling to the policies of yesterday, who offer us only retreat, would condemn us and our children to decades more of economic decay—decades in which our days of greatness would be just a dim memory.

I've come here to talk about moving forward. It'll take spirit, courage, and strength for the long haul. But we must do it. I'm not here to promise miracles, but I believe we can promise progress.

So I have come to Des Moines to consult with you, to seek your counsel and your support as, together, we take the high road to national recovery and renewal. We share the trust of elected office, you for your State and I for the country and the people who sent me. And I have come to cement again the bond of partnership too many have forgotten.

Together we must go forward to ensure a decent standard of living for all Americans, but we must also protect for the next generation this fragile state of freedom so rare in the world and in the history of man.

I think we've taken the right first steps. We've begun to rebuild America's defenses, which had been left in dangerous decline. We've made clear our commitment to peace and stability in the world and our willingness to participate in strategic arms reduction. But we also have made clear that we will not look the other way as aggressors usurp the rights of independent people or watch idly while they foment revolutions to impose the rule of tyrants. We will not turn our backs on those who seek to gain or secure their liberty, and we will not back down from our duty to keep America strong enough to remain both free and at peace.

At home, we've begun our campaign to return our economy and government to our people.

Our program for economic recovery and our proposal to restore the partnership between State, local, and Federal government are born from the same philosophy. They spring from an abiding faith in the American people and in our ability to govern ourselves.

Forty years of uncontrolled government growth and mismanagement, 40 years of removing the American economy from the hands of the American people, have resulted in the painful recession that grips us today. In 4 short months, our programs have begun to restore incentive, to cut away strangling regulations and, for the first time in decades, make significant gains against the budget monster.

And what do you know? Inflation has dropped to single digits for the first time in 3 years, but it's not low enough. Interest rates are below their once dizzying heights, and yet they're not low enough. Our tax and budget cuts were the largest in history, but they only reduced the rate of increase in taxing and spending. We must hold firm to our tax cuts and reduce the budget even more. We have much to do before we'll see the light, but I think we're at last and at least approaching the bend in the tunnel.

Deficits, it is true, still loom large in our forecasts, but they should not overshadow the incentive and drive that is already building in our people. Our people are beginning to save again. There has been an increase in the savings rate since the fiscal year began and our programs began in October. The private savings pool could grow as much as $250 billion by 1984. This will bring needed growth to our economy and ease the strain on the money supply. In addition, yesterday we submitted to the Congress a budget schedule that will reduce the Federal deficit every year. Our deficits will be trending downward.

I'd like to pause here a moment and clear up a couple of things about the budget proposal we sent to Congress yesterday. So, if the reporters would pick up their pencils and the TV correspondents would turn on the cameras, I have an announcement.

There will be no general budget cut this year, and there was no budget cut last year. What we did and what we are doing is reducing the rate of growth in Federal spending. What we're doing is bringing old-fashioned discipline to the budget. Even before the budget came out, you could hear the sound of knees jerking all over Washington. [*Laughter*] The knee-jerk reactions and instant analyses were as hasty as they were incorrect. Despite all the talk, there is a deafening silence on alternatives.

From these two pronouncements you wouldn't know that under our proposed spending for the elderly we'll set a new record of $210 billion—more than double the amount as recently as 1978. You wouldn't know, to hear them, that 19 million people will still get food stamps, and over 95 million meals a day—one out of every seven—will still be subsidized, that Head Start, the National Institutes of Health, minority business assistance, aid to traditionally black colleges and other major programs will not be reduced from our 1982 request.

And suddenly, people who previously believed the deficit was something you tried to increase were bemoaning the fact that we had one. They didn't tell you that this year's budget marks the lowest annual budget growth in 14 years. They didn't tell you this deficit is actually smaller in proportion to gross national product than in the last recession recovery cycle of 1975–78, or that the deficits will decline in future years.

Yes, the deficit is too big, and I'm not about to use a magic pencil and merely create a balanced budget or a lower deficit on paper as has been done in the past. The budget we've proposed is a line drawn in the dirt. Those who are serious about reducing the deficit will cross it and work with us on our proposals or their alternative. Those who are not sincere in their concern about the deficit will stay on the other side and simply continue their theatrics. The American people are tired of theatrics; they want action. And let me tell you, they know the difference.

Our first commitment was to secure America's freedom. We are, as I said, rebuilding our defenses. Our second commitment was to restore America's economy. We have in place the first installments of a solid program for economic recovery. We turn now to our next commitment: paring the unmanageable size of the Federal bureaucracy, returning government to the governed.

Removing the possibility of solving problems where they occur, forcing Americans to accept the dictates of a swollen bureaucracy in Washington instead of dealing with their neighbors in city hall or the statehouse, has to be one of the most serious mistakes of this century. The Federal Government has become involved in such traditionally local concerns as fire protection, police pensions, welfare, and pothole repair.

In the last 20 years, the volume of grants-in-aid has virtually exploded. For example, in 1960, total Federal involvement in fire pollution—or protection, I should say, amounted to a cooperative agreement between the Forest Service and State agencies. Today every Federal department, except State and Defense, and at least 11 other agencies have their fingers in the fire-related activities of State and local governments. And the taxpayer gets burned.

Divisions of responsibility have blurred beyond recognition. The intentions of big government were good, but the result has been overwhelming inefficiency, waste, and the kind of regulation that ends all hope of finding local answers to local needs. The willingness of the Federal Government to inject itself in matters more properly considered by city or county councils, school boards or State legislatures, has resulted in a confused citizenry unsure of who to turn to, unaware of who to blame when things go wrong.

We have to face facts. As one mayor recently put it, big government has led to an unstable economy, low productivity, and high unemployment. The American people want a change. America needs a change, and we intend to provide it.

We have proposed the broad outlines of a plan to restore the accountability now missing in our bloated government. We want to consult with you and your colleagues around the country to develop the details that will make it work.

Our initial program includes the transfer to the States of more than 40 Federal programs in the areas of education, development, and social services, and we want to send back the tax sources to pay for them, as well. But the centerpiece of the proposal is the almost dollar-for-dollar swap of two of the largest areas of welfare. The Federal Government would take over Medicaid in exchange for State assumption of Aid to Families with Dependent Children and food stamps.

Since Medicaid is growing at a much faster rate than those other programs, the Federal Government would assume the heavier burden. We also have proposed a transition period of 8 years and establishment of a grassroots trust fund to ease the return of programs and tax bases. And these are the areas we want to discuss with you.

Certain law enforcement and civil rights programs dealing with the handicapped and minorities should remain at the Federal level, but we want to reestablish with you a clear and workable philosophy to divide the functions of government.

Let us not confuse the ideals that launched the last 40 years of centralization with the failed realities it has produced. Let us recognize the good that has come from our past efforts, but also understand that we have come into a new day and must change the way we view government and government's role in our rapidly changing society.

Governor Thomas Kean of New Jersey, in his inaugural address last month said: "We must turn to ourselves, to draw upon the diversity of our people and tap the strength inherent in that diversity. We cannot view this need to change with resignation; rather, it must be viewed as a challenge to our ingenuity, our dedication, and our imagination."

Well, here in Iowa you have a strong two-party system. Your Governor, Bob Ray, has provided strong leadership, and your congressional delegation, led by Senators Roger Jepsen and Chuck Grassley, serve you and our country well. Innovation and reform have been the hallmarks of this legislature. Your reapportionment plan has been called a model for the country. You've made significant advances against waste and fraud and have a tradition of top-quality public education.

Yet there are pundits in Washington who consider the statehouse to be the backwater of American politics. They don't trust you to run your own affairs. They don't trust you to show compassion to your needy nor justice to your disadvantaged.

Just a few weeks ago, someone in a key leadership position in the U.S. House of Representatives, one of the people who for decades has presided over the dissolution of our national economy and system of government, said he would be in no hurry to transfer the authority and resources that belong to you back to your control. He said he knew of a dozen States right now that would shirk their responsibilities. He didn't happen to name those dozen States. It makes you wonder which States are not American enough for him. Well, I'm sure the people in the statehouses around this country would like to know.

First the elitists fought the tax cuts, saying the American people could not be trusted with an increased share of their own earnings. Now they say the people we elect to State and local office can't be trusted to run State and local affairs. Well then, who can we trust? A handful of individuals with a strong case of Potomac fever, the very individuals who got us into this mess to begin with?

A recent Gallup poll says today Americans by nearly 2 to 1 trust State governments more than the Federal Government to remain free of corruption and administer programs efficiently. Washington, D.C., has no corner on compassion or wisdom or morality. If we do nothing else in this administration, we're going to convince that city that the power, the money, and the responsibility of this country begin and end with the people and not in some puzzle palace on the Potomac.

Some would have us believe that today's world is too complex and our needs too large to be managed by self-rule. But if no one among us is capable of governing himself, then who among us has the capacity to govern the rest of us?

It's been said that if we lose this way of ours, this thing we call freedom, history will record with the greatest astonishment that those who had the most to lose did the least to prevent its happening. That must not be said of us.

I've told you I'm confident our economic recovery program will succeed. That isn't wishful thinking. Our plan is based on simple logic. We have deficits because government spends more than it takes in. We've had only one balanced budget in the last 20 years. Today's interest on the trillion dollar debt is greater than the total budget in Eisenhower's day. So we're reducing the size and cost of government to bring the annual increase in cost to less than the increase in tax revenues.

Now, increasing taxes is not an answer. We doubled taxes between 1976 and 1981 and had the biggest string of deficits in our history. Besides that, taxes reduced our ability as individuals to save. Today we're the last of the seven top industrial nations in savings and investment. Our industrial plant and machinery averages 17 years in age. In Japan, the average is just 10 years. So we're reducing the tax rate.

Government regulations have cost the American economy an estimated $100 billion a year; we're reducing the number of regulations.

The Federal Government has, at great cost, been attempting to perform tasks that are not its proper function. So we're restoring the 10th amendment to the Constitution which says the Federal Government will do only those things called for in the Constitution and all others shall remain with the States or with the people.

I don't believe that our destiny is to watch this unique experiment in government slip from disrepair into decay. But if we remember that freedom rests, and always will, on the individual—on individual integrity, on individual effort, on individual courage, and in an individual faith in God—then we will have met the challenge of our generation and brought our great nation safely through our turning point in history.

I look to you today and in the coming weeks for guidance as we fashion a new framework for partnership in government. I ask you to join me as we move forward into a new and more prosperous era for America and for all of our people.

I promise you there will be no winners and no losers among the States. I promise you that it will be a fair trade and that the Federal Government will continue to maintain its responsibility for those things that the Constitution has imposed upon it. But we will, in turn, have faith in your compassion and in your good judgment and in your sense of responsibility to those people that you represent here in this great State.

Thank you very much. God bless you.

Note: The President spoke at 10:05 a.m. in the House Chamber of the State Capitol, after being introduced by Governor Robert D. Ray.

Prior to his address, the President attended an Iowa State Republican breakfast at the Des Moines Marriott Hotel.

Interview With Skip Weber of the Iowa Daily Press Association in Des Moines

February 9, 1982

Natural Gas Prices and the Economy

Mr. Weber. With all the changes that are being proposed, one that is paramount in the eyes of many Iowans, particularly those on fixed incomes, is how they're going to maintain their current standard of living with the soaring natural gas prices. I went around doing a little interview with my friends here, and that seemed to be one of the prime issues. And I just wonder, what do you contemplate happening in regards to these people?

The President. Well, I think what we're talking about is the same old problem of inflation. Natural gas is still controlled. I'm not sure that that's the best idea, because we found out when we decontrolled gasoline, the oil prices, that the price went down, not up. It encouraged more exploration and more development at the source. And maybe the same thing would happen with natural gas, but no decision has been made on that.

But the people on the fixed incomes are, of course, always the ones who suffer first in inflation. Our program is aimed at bringing that down. And I have to say, not enough recognition has been paid to the fact that we have brought it down. We brought it down to single digit, where it's been for the last 3 years—double digit. And I think that we're going to continue bringing it down with the program that we have in place.

That has to be—I know today a great concern of the country, and it is of ours, is unemployment and this recession. But underlying that, helping cause that, everything comes back down to the fact that we've been in the longest—in fact, the world has been in the longest sustained period of runaway inflation in world history. And we're very happy about it. As a matter of fact, we've succeeded beyond our expectations, and that's what's contributed to the coming deficit.

You know, government gets a profit from inflation. Inflation is a tax. If it's a sales tax, and the price of a commodity goes up, and the sales tax is based on percentage, the government's percentage goes up. In the income tax for the Federal Government, that's been the big steal, where people getting cost-of-living pay raises have been moved up into upper-income tax brackets. Today, a sizeable percentage of the normal working people in this country are up to the 50 percent bracket. And so we haven't been able to turn it down to where prices are going down, but we have cut that rate at which they're going up.

American Agriculture

Mr. Weber. There's quite a bit of concern here in Iowa and throughout the Midwest about the stability of the family farm. And there is fear on the part of many that these farms are going to go under. Can you provide any signs of encouragement for the Iowa farmer?

The President. Yes. We have an Illinois farmer as our Secretary of Agriculture. And we know that this is the whole basis of any economy; has to be that. One of the things where we believe government can participate and be of help—and we're trying desperately to do this—is to encourage foreign markets, export markets, because there's no question, the American farmer can and does produce more than the people in our own country can eat, so he has to have an export market. He's been caught worse than most people in the cost-price squeeze of inflation. The cost of the things he buys, even the finished products of the food that he himself grows, when he then buys that in the form of bread and so forth in the market, he finds that he's on the low end of the totem pole when he sells that raw product, but he's paying like everyone else is, the inflated price as it's gone through the industrial processes.

We don't believe that government, as we've known in the past, is the answer of a—continuing to control and subsidize the farm. What we must do with government is help agriculture get back into the market in getting a fair price for what it produces.

Gasohol

Mr. Weber. I was doing quite a bit in the promotion of gasohol. We've had plans for many more plants here in Iowa, but the plans seem to be falling by the wayside now because of a loss of Federal funds. Is it true that all Federal gasohol funds are being dropped?

The President. Well, we're reducing a great deal of our subsidy now of synthetics, simply because we believe that industry has become involved enough, that the free marketplace should take hold and help with that.

Welfare Programs

Mr. Weber. I can go back here a little bit. I can recall a visit that you made to Des Moines a number of years ago on behalf of General Electric. Hal Reed—he worked with my dad down at International News—and at that time, I think the thing we were talking about was socialized medicine. But very vivid in my mind in regards to the remarks that you made then—and then also, back in Harlan, I recall in an interview that you talked about what you had done in California as Governor in terms of welfare. And as I recall, you were talking about how, evidently, you were allowed to experiment with the welfare programs there.

I'm just wondering, in regards to your new approach here on federalism, if your experience in California in terms of welfare played a major role in your thinking in changing this plan?

The President. Yes, that and all my years as Governor there when I saw how extravagant and wasteful it was to have to run a program where the Federal Government imposed every rule and restriction as to how you must use the money, establish the priorities. The priorities are not the same in community after community or State after State. They say, "This problem Washington has decided is of this priority, and therefore most of the money must be spent here."

But you can come to a community where that isn't their major priority, but they do have another problem that they need to help on, but they don't have the flexibility to switch the funds. And this is what we're trying to do with the new federalism program.

I could cite chapter and verse of horror stories about this and about these programs. My first veto of a Federal program, when I was Governor, was a program that on the surface sounded just fine. It was one of the poverty programs, and it was in a rural county of California, a project—they were going to put 17 able-bodied welfare recipients to work in the county parks, maintaining and helping to keep them clean, the parks.

Now, you think that sounds great. That's exactly the type of thing that we want to do. My veto was because under their rules, over half the budget would have gone for 11 administrators to handle the affairs of the 17 people that were going to work in the park. And I thought that was a little unbalanced, and I vetoed it, and the Federal Government had 60 days to override the veto. They didn't override it when I made public why I was vetoing it.

Federalism

Mr. Weber. I have copies of some minutes of the National Conference of State Legislatures in a meeting that you participated in. One of the sections here is in regards to welfare, and they're quoting you as saying that one of the major reasons for keeping welfare at the Federal level is the likelihood that differing benefit levels among the States was based on a court ruling handed down while you were Governor of California. Do you recall that? And it said the courts had struck down the State residency requirements for welfare because it was a Federal program. And I'm quoting from the minutes here: "The President implied that if the Federal Government got out of the program, residency requirements might be acceptable to the courts." Is that a problem here in regards to your welfare change?

The President. No, and this will be one to see as we work with all these people—I gesture because I'm in the statehouse—to see if this is one of the things that could also then be helpful.

It is true that the welfare standards vary, based on—and this is under the Federal domination of the program—so these people who say, "Well, this State might cheat and not give as much as another State," are talking through their hats, because that's the present situation.

But the Federal Government insists on minimums that are based on percentages of what is a basic cost of living in the various areas. But because Federal money was involved, the States had residency requirements so that you had to legitimately be a citizen of that State in order to get welfare.

When the Federal Government—the court—on the basis of the Federal funds, struck that down, you found people just going shopping. And there was a great influx, not only into California, New York City—that was when its great problem developed. People only saw the end result of the amount of money that was being paid. They didn't translate it into the added cost of living, of living in those places. Theoretically, you weren't supposed to be better off in one State or the other, that the lower amount was because of the lower cost of living in that area.

But today, our idea is to find out if this is a part of what they want, to get the help of the State and local officials in fleshing out this concept that we've created in turning these programs back.

Mr. Weber. So we're quoting here in regards to Medicare—the suggestions made here. Under consideration is a voucher system for Medicare. Is that correct?

The President. This—although here we're still in the early stages of trying to find a better method of providing the needed care for—Medicare is the program for the older; Medicaid is the program that we have suggested the Federal Government take over instead of giving back and to find a way of doing it that will maintain the funds that are needed for people with a true illness or injury and not the waste, the shocking waste that we have today.

For example, I can give you a case—let's say this isn't in Medicare or Medicaid—that has just come to us, a man who told the story himself. He fell at work and broke his finger, went to the emergency division of the hospital, and they X-rayed and then splinted the finger. And then an attendant there told him, when he said he was going back to work, said, "Well, you know that under the rules you're entitled to 2 weeks at full pay without returning to work." Well, he said, "No, I want to go back to work." Believe it or not, they kept him there for half an hour trying to persuade him to take the 2 free weeks. What business was it of theirs? They were there to heal him. And then, he added to his story, he went back to work. And he told that 2 weeks later he called in a doctor that he'd been referred to to check the finger on how it was coming. And the doctor spent a total of less than 10 minutes looking at the X-ray and looking at his finger and submitted a bill to the government for $100. Now, we think there are better ways to run a railroad.

Defense Spending

Mr. Weber. Shifting gears here a little bit, a lot of people seem to be picking your budget apart in terms of the money that you want to spend on the military. Why are you so strong in your support of this additional spending?

The President. I'm strong for military spending for this reason. In the last several years before this administration, the military was literally starved. There is a dangerous window of vulnerability. Even with our military buildup, we will not even be back in the range of ability to stand in the face of our adversaries, the Soviet Union, until the mid-eighties. We will still be below them no matter how much we do now.

But the truth is we're only spending about 6 percent—our military budget is only about 6 percent of the gross national product. In years past, in the fifties and the sixties, this averaged over 9 percent with the military budget. And even in the peace years, without the Vietnam war or the Korean war, it was over 8 percent, almost 9 percent. So, in point of history, we are not up to what used to be considered the normal peacetime budget.

But we have to show our adversaries that we have the will to defend ourselves. They have thought for several years we don't. But coupled with that, my idea of the real way to save on defense is with them knowing that they're going to have to accept that we're going to build up to their level for our own security.

I want to sit down—and we already are sitting down with them—to discuss legitimate arms reductions, and that would be the major savings in defense and for both sides. Today they are literally starving their people of consumer products in order to maintain this great military buildup. We think they've been able to get away with this because we've been unilaterally disarming for the last several years. When they see that we mean it—I think a cartoon told it all the other day. There was a cartoon that showed Brezhnev talking to a Russian general and he was saying, "I liked the arms race better when we were the only ones in it."

Mr. Weber. By "them," obviously you're talking about the Russians.

The President. Yes.

President's Previous Visits to Des Moines

Mr. Weber. It just dawned on me, one of my colleagues here wanted me to ask you if you've ever been in the Capitol before.

The President. In this Capitol?

Mr. Weber. Capitol, yes.

The President. No, I don't recall ever being in here before. I do recall sleeping out on the lawn. [*Laughter*] I'm old enough to remember when air conditioning was only found in motion picture theatres, and on some of those hot Iowa nights, this Capitol lawn out here would literally be covered with whole families that would bring a blanket and come over to the lawn and sleep all night around the Capitol lawn from all the residences around here.

Federal Tax Reductions

Mr. Weber. Swinging back here, would you favor moving up the 10-percent cut in Federal taxes from July 1 to some time in the spring?

The President. I would be very pleased to see that, because I think it would be beneficial, except that those who are proposing it are then proposing in return that we cancel the third year's cut. Now unencumbered, just a simple move up, yes, I would favor that. I think that one of the things that could have mitigated if not prevented the present recession is if we had gotten our original request. We originally wanted a 10-percent, not a 5-percent cut, retroactive to January 1st of 1981. And I think if that had been in place, there might be a different situation with regard to the recession. As it was, to get the bill we had to cut to 5 percent on the first installment and delay to October 1st in order to get passage of the bill.

The Economy

Mr. Weber. Many economists are predicting that the economy is going to start turning around in the second quarter. If it doesn't, what will you do?

The President. Well, I think we're going to begin to see turns then. The regrettable thing is that the last to recover is unemployment when you're coming out of a recession and that is our major problem today—the people that are without jobs. But, yes, I think it is going to begin to turn. There is already, in just these few months since October 1st, there's an increase in the rate of saving, personal saving on the part of our people.

So we believe that our program that is in place of cutting the cost of government and reducing the percentage that government takes in taxes is the answer.

Views on the Presidency

Mr. Weber. Just one more. You've been in office for a year. How is the Presidency different than what you perceived it to be before you took office?

The President. Well, I can't say there have been too many surprises. First of all, there's a great deal of publicity about the office itself, so you know something about it. But I had the 8 years' experience as Governor of California, which is the largest, most populated State in the Nation, so I was prepared for the daily routine and the daily schedule and all the things that had to be done.

I guess if anything surprised me, it was the amount of leaks in Washington. I knew about them. They occurred in Sacramento when I was Governor. But in Washington, it seems as if you can have a meeting in a room like this to discuss something, and you haven't made a decision—it's just an option that you're considering—and it seems as if

15 minutes after you're out the door and the meeting is over, you're hearing on radio and television or seeing in the print that you've made a decision, and this is what the government is going to do.

Mr. Weber. I think I'm getting the high sign here. I think we will come to a close. I do want to thank you. It's been my privilege. Thank you very much.

The President. Thank you.

Note: The interview began at 10:30 a.m. at the State Capitol Building.

Nomination of Robert Thaddeus Grey, Jr., To Be Deputy Director of the United States Arms Control and Disarmament Agency

February 9, 1982

The President today announced his intention to nominate Robert Thaddeus Grey, Jr., to be Deputy Director of the United States Arms Control and Disarmament Agency. He would succeed Spurgeon M. Keeny, Jr.

Since 1979 Mr. Grey has been Director, Office of Advanced Technology, Bureau of Oceans, and International Environmental and Scientific Affairs, Department of State. Previously he was officer in charge of Norwegian, Danish and Icelandic Affairs, European Bureau, Department of State, in 1978–79; politico-military affairs officer, First Secretary, U.S. Embassy, Canberra, Australia, in 1974–77; Deputy Director, Office of Military Sales and Assistance, Bureau of Politico-Military Affairs, in 1973–74; and Director, Special Program on National Security Affairs, USIA, in 1972.

Mr. Grey graduated from Dartmouth College (B.A., 1957) and the University of Michigan (J.D., 1960). He is married, has three children, and resides in Annandale, Va. He was born January 14, 1936, in Shirley, Mass.

Nomination of B. Sam Hart To Be a Member of the Commission on Civil Rights

February 9, 1982

The President today announced his intention to nominate B. Sam Hart to be a member of the Commission on Civil Rights. He would succeed Jill S. Ruckelshaus.

Mr. Hart is founder and president of the Grand Old Gospel Fellowship and radio station WYIS in Delaware Valley, Pa. He currently serves on the board of directors of the National Religious Broadcasters.

Previously Mr. Hart was a teacher with the Philadelphia Board of Education (division of special education) in 1958–68; assistant pastor, Ebenezer Community Tabernacle, in 1958; and psychiatric aide, Boston State Hospital, in 1949–54.

He attended Gordon College, Boston, Mass.; St. Joseph's University, Cheyney State College, LaSalle College, Pa.; and Carver Bible College, Atlanta, Ga.

Mr. Hart is married, has five children, and resides in Philadelphia, Pa. He was born April 8, 1931, in New York, N.Y.

Nomination of James W. Fuller To Be a Member of the Board of Directors of the Securities Investor Protection Corporation

February 9, 1982

The President today announced his intention to nominate James W. Fuller to be a Director of the Securities Investor Protection Corporation. He would succeed Michael A. Taylor.

Mr. Fuller is currently senior vice president, marketing, Charles Schwab & Co., in San Francisco, Calif. Previously he was senior vice president, market and constituent communications, New York Stock Exchange, Inc., New York, N.Y., in 1979–81; senior vice president, marketing, New York Stock Exchange, in 1977–79; manager, investment industries program, SRI International, Menlo Park, Calif., in 1974–77; and vice president, Shields & Co., San Francisco, Calif., in 1972–74.

Mr. Fuller attended San Bernardino Valley College (1958–60), San Jose State University (1960–62), and California State University (1965–66). He served in the United States Navy in 1963–66.

Mr. Fuller is married, has two children, and resides in San Francisco, Calif. He was born April 3, 1940, in Rochester, Ind.

Message to the Congress Transmitting the Summary Report of the Department of Energy Sunset Review

February 9, 1982

To the Congress of the United States:

Transmitted herewith is the Summary Report of the Department of Energy Sunset Review. A Program-by-Program Analysis which provides detailed background information is being transmitted at the same time by the Secretary of Energy. These two volumes together satisfy the requirements of Title X of the Department of Energy Organization Act (P.L. 95–91).

I have asked Secretary Edwards and his staff to be available to respond to any questions or comments you may have regarding the Department of Energy Sunset Report.

RONALD REAGAN

The White House,
February 9, 1982.

Note: The 60-page report is entitled "Report to the Congress—Department of Energy Organization Act, Title X: Sunset Review—Summary Report—U.S. Department of Energy Office of Policy, Planning and Analysis, February 1982."

Address Before a Joint Session of the Indiana State Legislature in Indianapolis

February 9, 1982

Governor, honorable gentlemen here with me on the platform, and you ladies and gentlemen:

I can't thank you enough for that very warm Hoosier welcome.

You know, the late Herb Shriner, who was from Fort Wayne, said that he was born in Ohio, but he moved to Indiana as soon as he heard about it. [*Laughter*] Well, with Governors like Bob Orr and, before him, Doc Bowen and Senators like Dick Lugar and Dan Quayle, a mayor like Bill Hudnut, and a legislature like this one, I have a fondness for Indiana myself.

In 1919 William Herschell, a columnist for the Indianapolis News, came upon another admirer of this State, an old man near Knightstown who was sitting on a log in the warm sunshine, fishing in the Big Blue River. And with a sweep of his arm, the old boy encompassed the whole countryside, and he says, "Ain't God good to Indianny!" Well, God certainly has been good to Indiana, but unfortunately over the past few decades, the Federal Government hasn't been quite so kind. If the Federal Government had been around when the Creator was putting His hand to this State, Indiana wouldn't be here. It'd still be waiting for an environmental impact statement. [*Laughter*]

And it's not an exaggeration anymore to refer to the almighty Federal Government. In recent years, power and tax dollars flowed to Washington like water down the Wabash. And yet things didn't get better. We didn't move closer to solutions; we moved farther away. Hoosiers, like citizens all over this country, began to realize that the steady stream of money and authority to Washington had something to do with the fact that things didn't seem to work anymore. And the closer you look, the clearer it becomes. The Federal Government has taken too much tax money from the people, too much authority from the States, and too much liberty with the Constitution.

Over the last year, with the help of the American people, we started correcting these imbalances in our governmental system. We have cut the growth in Federal spending nearly in half, brought about the largest tax reduction and the most sweeping change in our tax structure since the beginning of the century. And with farmers and family businesses in mind, we raised the estate tax exemption and eliminated the estate tax for the surviving spouse so that survivors don't have to sell the family farm or the family business in order to pay the tax when death comes. We cut the increase in new Federal regulations nearly in half. And we undertook policies that strengthened State and local authority rather than erode it.

As Indiana's December unemployment rate of 11.9 percent indicates, much remains to be done. We know it. And we take our commitment to the people seriously. We have in place an economic program that is based on sound economic theory, not political expediency. We will not play hopscotch economics, jumping here and jumping there as the daily situation changes. We have faith in our program, and we're sticking with it.

To the paid political complainers, let me say as politely as I can, "Put up or shut up." We have a solid plan already in place. What do they have? Either they give the American people a better alternative, or they join with us in our efforts to get the economy right.

The 1983 budget, which we recently released, is one of the new-wave budgets that will be rolling in for the rest of the decade. These budgets will require constant and comprehensive pressure so that we can reduce the future growth of government spending and the government's share of the gross national product. I hope the Congress will accept the future. I hope the Congress will approach the new budget proposals with the same cooperative spirit and good will as it did our proposals a year ago.

Now, the defense budgets over the next several years will be especially important. Studies indicate that our relative military imbalance with the Soviet Union will be—believe it or not—at its worst by the mid-eighties. As President, I can't close my eyes, cross my fingers, and simply hope that the Soviets will behave themselves. Today a major conflict involving the United States could occur without adequate time to upgrade U.S. force readiness. It's morally important that we take steps to protect America's safety and preserve the peace.

In the months ahead as we pursue a strengthened economy and a strengthened defense, we will also be working toward a revived federalism. During the campaign, I said we would cut taxes, and we have. I said we would reduce regulation, and we have—23,000 fewer pages in the *Federal Register* than there were a year ago, and that's the thing that lists all the regulations. And I've said that we must return more power to the States, and we will.

Now, there are those who for their own narrow political purposes say our federalism plan is a mere diversion from our economic problems, or that federalism is simply a means to cut the budget further. Well, don't you believe it. Our federalism plan stands on its own merits, a key to a freer, better America. Federalism is too important an issue to be treated as a distraction, and the American people deserve a full and public debate of the proposal's merits.

In the State of the Union speech, I sketched the framework of our federalism concept. We hope to send enabling legislation to the Hill by early spring, but we're not doing that until we've had extensive consultation with the Nation's Governors, legislators, and city and county officials. We genuinely want your advice and counsel, and that's why I'm here today. We seek your help in developing a program that will bolster what Governor Orr said in his State of the State address: ". . . Hoosiers have the ability to solve Hoosier problems . . .." Without your participation in the plan's development, it would simply be another program imposed by Washington. We want this new partnership to work.

There's a story about the two partners who decided to take a day off and go fishing. They'd rowed out to the middle of the lake, baited their hooks, and were waiting for the first bite when all of the sudden one of them said, "Sam, oh my gosh! We forgot to close the safe." "So what?" said Sam, "we're both here aren't we?" [*Laughter*] For too long, that's the kind of partnership the States and the Federal Government have had. Neither really trusted the other, but it's Washington that's been dipping into the cash drawer when the States weren't looking.

America's needs today are too great for one partner to solve alone. As I pointed out in the State of the Union address, in 1960 the Federal Government had 132 categorical grants costing $7 billion. When I took office there were approximately 500 such grants, costing nearly $100 billion—13 programs for energy conservation, 36 for pollution control, 66 for social services, 90 for education—and in the Congress it takes at least 166 committees just to try and keep track of them. They try to keep track of them, but Federal grants are like rabbits—they multiply like crazy, and when they're out you can't catch them. [*Laughter*]

The Congress spends most of its time on the budget these programs represent. Governor Babbitt of Arizona said that the Congress should worry about arms control, not potholes. And if Congress did that, he has said, we would have both a better chance of survival and better streets.

I've got to pause right here and interject something about that. I'm delighted in telling about the town that decided in the interest of safety, they were going to raise all their street signs and everything that were only 5 feet high to 7 feet high. And the Federal Government came along and said, "We've got a program that'll do that for you." Well, it was quite an undertaking to change the height of all these. The Federal Government's idea was they'd lower the streets 2 feet. [*Laughter*]

But according to an independent governmental commission—intergovernmental commission—the growth of such programs has made the Federal Government "more pervasive, more intrusive, more unmanageable, more costly, and above all, more unaccountable." Polls show that the majority of Americans feel the State government can handle local problems better than the Federal Government. Absolutely no one, except the special-interest groups and those who do their bidding, believes that we can continue as we have.

In many respects, the Federal Government is still operating on the outdated and, if I may say so, arrogant assumption that the States can't manage their own affairs. At one time possibly, yes, certain States did ignore a portion of their citizenry. And when the Great Depression hit, the States weren't prepared to handle that kind of an emergency. But that was 50 years ago. There've been great changes in our land.

As Governor Thompson of Illinois, speaking for most State and local officials, has said, "It's time to give us our money back; it's time to give us our power and authority back; and it's time to let the Governors and mayors of this Nation respond to the needs of the people in their States." And to that I say, "Amen."

It's high time the issues were debated. And our federalism initiative is designed to focus that debate. The plan, as you know, has two major components. Starting in fiscal 1984, the Federal Government will assume full responsibility for the rapidly growing Medicaid program in exchange for the States picking up Aid to Families with Dependent Children and food stamps.

Now, by assuming the whole governmental cost of health and virtually the entire financial responsibility for the elderly population, the Federal Government will be taking on the most rapidly growing social domestic needs. The States will be picking up the areas where growth is much less rapid. Under current law, the total funding for AFDC and food stamps is projected to increase only 10 percent by 1987, compared with a projected 83-percent increase in the total cost of Medicaid for the same period.

The other aspect of the plan is a turnback of responsibilities to the States for over 40 Federal programs in education, community development, transportation, and social services—along with the resources to pay for them. In 1984 the Federal Government will apply the full proceeds from certain excise taxes to a grassroots trust fund that will belong in fair shares to the 50 States. By 1988 the States will be in complete control of these grant programs.

Now, we have not filled in the details of the federalism program, because we want your assistance. We want the plan to be fair and equitable. And I'll give you a flat and binding pledge: There will be no net winners or losers. This will not be a roll of the dice. The State will not end up like the horseplayer who says, "I hope to break even; I need the money." [*Laughter*] You'll break even, and there will be no gamble.

There are other guarantees as well, like the mandatory pass-through to the local governments of some funds, such as for mass transit assistance, community development. We will ensure civil rights protections and adequate welfare, and the transition period will allow plenty of time for discussion and fine-tuning of the program.

The concept of federalism is like the green and gold quilt of Indiana crops. There is protection in variety. Well, there's protection in the quilt of the 50 States as well. What the current issue comes down to is whether or not we trust the people and those closest to them to make governmental decisions—to make government itself work. I trust those James Whitcomb Riley, the Hoosier poet, who called them "the good, old-fashioned people—the hale-hardworking people." And I believe that the decisions that come from this statehouse are as solid as the limestone it's built of.

Statehouses all over the country must regain the authority to make decisions about those things that affect them most closely. In 1947 the General Assembly of Indiana adopted a resolution "serving notice on the Congress of the United States that the people of Indiana are fed up with subsidies, doles, and paternalism, benevolently described as Federal grants-in-aid."

In 1951 the Congress still hadn't taken Indiana's good advice, so the Assembly again passed a resolution stating, "We Hoosiers believe that the historic constitutional rights and responsibilities of the States must be recovered; that the tax sources of which we have been deprived must be restored; and that the Federal Government must restrict its activities to matters of the broadest national interest." Well, it's taken over 30 years, but, I'm happy to report, your message has finally gotten through. To tell you the truth, I believed you the first time you said it. [*Laughter*]

Today in Washington there's someone—at least in the White House and a couple of Congressmen of yours sitting right here—who are on your side. This administration seeks nothing less than a realignment of government, a realignment that will give power back to those most responsive to the people. Of course, I'm referring to you who sit in the State legislatures, the county boards, the city councils of this country—you who know the needs of your neighbors and the programs that will serve them best.

I've told you I'm confident our economic recovery program will succeed. This is not wishful thinking. Our plan is based on simple logic. We have deficits because government spends more than it takes in. We've had only one balanced budget in the last 20 years. Today's interest on the trillion-dollar debt is greater than the total budget in Eisenhower's day. So, we're reducing the size and cost of government to bring the annual increase in costs to less than the increase in tax revenues. And increasing tax rates is not an answer. We doubled taxes between 1976 and 1981 and had the biggest string of deficits in our history. Besides that, taxes reduced our ability as individuals to save.

Today we're the last among the seven top industrial nations in savings and investment. Our industrial plant and machinery average 17 years in age. In Japan the average is only 10 years. So, we're reducing the tax rate.

Government regulations have cost the American economy an estimated $100 billion a year. We're reducing, as I said, the number of regulations.

I've got to pause again and just tell you how they can—in a nearby State, a hospital was built with some Federal funds, so therefore the Federal Government can manage everything about it. And they had the experience, and they put—as is customary today—and they put under the regulation of one government department those plastic bags in the wastebaskets to protect the employees from contamination in handling the waste. But in came another Federal department, took one look, and said, "Unh-uh, someone might throw a cigarette butt in there, and the fumes of the burning plastic would be injurious to the patients. Take them out." Well, they never did get together as to which one was right, so the only thing the hospital can do now is kind of keep an eye on the front door to see whose inspector is coming. Take them out; put them in. [*Laughter*]

The Federal Government has at great cost been attempting to perform tasks that are not its proper function, so we're restoring the 10th amendment to the Constitution, which says the Federal Government will do only those things called for in the Constitution, and all others shall remain with the States or the people.

The great American experiment will soon enter a new phase that will last until the end of this century and prepare us for the next. And you here are the ones who will carry this experiment forward. You are the public servants who offer the most creative solutions and most promising hopes for our nation's future.

America needs your vitality and her people need your responsiveness. Let us join together to restore federalism, to restore the Nation's vigor, and to restore the faith of our people in their government at every level.

Thank you very much.

Note: The President spoke at 2:33 p.m. in the House Chamber of the State Capitol, after being introduced by Governor Robert D. Orr.

Following his address, the President returned to Washington, D.C.

Remarks at the Annual Convention of the National Religious Broadcasters

February 9, 1982

Thank you all very much. Thank you, Dr. Hoffer, Dr. Armstrong, the distinguished guests, ladies and gentlemen. I'm not going to beat around the bush, because I want you to know that you've made my day. Do you realize how great it is after being in the heartland to return and find the population of Washington, D.C., increased by 3,500 more believers?

I've just traveled halfway across the country since yesterday noon. I've visited three States and given four speeches, but no message given or received was more important than the theme of your conference. To preserve our blessed land, we must look to God. And we must look to the hearthstone, because that's where all hope for America lies. Families are the bedrock of our nation—teachers of cooperation, tolerance, concern, and responsibility. Rebuilding America begins with restoring family strength and preserving family values.

One great joy in my job has been sending anniversary greetings to couples who've been married 50 years or more. More than 65,000 greetings were sent out last year. And believe it or not, I loved knowing that every one of them and seeing that every one of them was sent out.

America's elderly are a wise and a very precious resource, and we should always honor them and never set them aside. I know that people in that generation—in *our* generation—[*laughter*]—are sometimes a bit sensitive about their age. I was kidded myself again last week, as I celebrated the 32d anniversary of my 39th birthday. But then I remembered something that Thomas Jefferson said. He said that we should never judge a President by his age; we should judge him by his work. And ever since he told me that, I've stopped—[*laughter*]—I've stopped worrying. I have increased the workload a little. [*Laughter*]

But like you, I've always believed that we were put here for a reason, that there is a path, somehow, a divine plan for all of us and for each one of us. And I've also always believed that America was set apart in a special way, that it was put here between the oceans to be found by a certain kind of people, based on a quality that these people had in that they came from every corner of the world. And a country then was created by men and women who came not for gold but mainly in search of God. They would be free people, living under the law, with faith in their Maker and in their future.

It's been written that the most sublime figure in American history was George Washington on his knees in the snow at Valley Forge. He personified a people who knew that it was not enough to depend on their own courage and goodness, that they must also seek help from God—their Father and preserver.

Where did we begin to lose sight of that noble beginning, of our conviction that standards of right and wrong do exist and must be lived up to? Do we really think that we can have it both ways, that God will protect us in a time of crisis even as we turn away from him in our day-to-day life?

It's time to realize, I think, that we need God more than he needs us. But millions of Americans haven't forgotten. They know we've been on a toboggan slide, and they're determined to do something about it. And I'm honored to stand before you, 3,500 of their most effective and courageous leaders. And let me say, I do not agree with those who accuse you of trying to impose your views on others. If we have come to the point in America where any attempt to see traditional values reflected in public policy would leave one open to irresponsible charges, then I say the entire structure of our free society is threatened. The first amendment was not written to protect the people from religious values; it was written to protect those values from government tyranny.

Let us go forward with our conviction that education doesn't begin with Washington officials or State officials or local officials. It begins with the family, where it is the right and the responsibility of every parent. And that responsibility, I think, includes teaching children respect for skin color that is different than their own; religious beliefs that are different from their own. It includes conveying the message to the young as well as to the old that racial discrimination and religious bigotry have no place in a free society.

And let us go forward with our conviction that there is in the American heart a deep spirit of love—of caring and willingness to work together—waiting to be tapped. And I want to ask you tonight, will you lead our crusade to restore our tradition of neighbor caring for neighbor?

I've appointed a private sector initiatives task force to help build partnerships between the private and public sector in every community in America. It includes Terence Cardinal Cooke, Archbishop of New York; E. V. Hill, pastor of the Mt. Zion Baptist Church of Los Angeles; Dr. Dee Jepsen, advisory board member of STEP in Washington, D.C.; Elder Thomas Monson of the Mormon Church in Salt Lake City; and other prominent Americans of Christian and Jewish faith. They need your help, and I hope you'll be working together.

I know how much many of you are already doing and, believe me, I'm grateful. It's a little like preaching to the choir, I know, for me to be saying these things to this particular audience. You are already out on the point. But too many people have been told that what they do is not as important or worthwhile as what government does. I don't buy that. Last week at the Annual Prayer Breakfast, I spoke of the parable of the good Samaritan. And I've always believed that the meaning and the importance of that parable is not so much the good that was done to the beaten pilgrim, it was to the Samaritan who crossed the road, who knelt down and bound up the wounds of the beaten traveler, and then carried him into the nearest town. He didn't take a look and hurry on by into that town and then find a caseworker and say, "There's somebody out there on the road I think needs help."

We need all of you now more than ever. I have always believed that this country—not always, but in recent years, I should say, believed that this country is hungering for a spiritual revival. I believe we need to build on what they're doing in Atlanta, where local churches have spearheaded a community effort, thousands of citizens, to help fight crime by serving as extra eyes and ears for the Atlanta police department, no longer turning their head away and saying, "I don't want to get involved."

We need to duplicate the example of Rock Island, Illinois, where a Christian family care center established by local churches and run by volunteer funds provides aid to victims of child or spouse abuse; and the ecumenical Loaves and Fishes Program which help feed the poor in Milwaukee and Minneapolis, St. Paul, where I just was last night; and the Christian Broadcasting Network's Operation Blessing, which matches volunteers of goods and services with those in need throughout the country.

Let us rebuild our communities and as we do, can we not do something else? Can we not, as Americans, become better friends again? We come from different backgrounds, pursue different interests, and hold different views, but we can draw communion from our shared values.

Recently, I read a story by a reporter, Judy Foreman, in the Boston Globe that explains what I mean. I was a sports announcer years ago. I was a sports announcer at a time when organized baseball was declared to be a game for Caucasian gentlemen. And it was kept that way. And then one owner of one baseball club had the courage to take Jackie Robinson, former athletic star from UCLA, into the major leagues in defiance of that rule—the first black man to play major league baseball. And, as you can imagine, from that day that time ago, in the excitement that comes and the partisanship of a ballgame, he was subjected many times to racial harassment. And one day when his Brooklyn Dodgers were playing a game away from home, the racial slurs from the crowd started up and then grew louder. And then suddenly a teammate of Jackie Robinson's, a white teammate, Pee Wee Reese, called for time out and slowly walked over to Jackie Robinson, put his arm around his shoulder, and then stood there facing that hostile crowd. He didn't say anything, just silently but eloquently he told the crowd, "This man is my friend."

Well, let us come together as friends. We'll never find every answer, solve every problem, heal every wound, or live all our dreams. But we can do a lot if we walk together down that one path that we know provides real hope.

The Book of St. John tells us that "For God so loved the world that he gave his only begotten son that whosoever believeth in Him should not perish but have everlasting life." We have God's promise that what we give will be given back many times over. And we also have His promise that we could take to heart with regard to our country—"That if My people who are called by My name humble themselves and pray and seek My face and turn from their wicked ways, then will I hear from heaven and will forgive their sins and heal their land."

Maybe it's later than we think. Let us go forth from here and rekindle the fire of our faith. Let our wisdom be vindicated by our deeds. And when our work is done, we can say that we have fought the good fight, we have finished the race, we have kept the faith. And we can say some day to our children's children, "We did all that could be done in the moment that was given us here on Earth."

Thank you, and God bless you.

Note: The President spoke at 5:35 p.m. at the Sheraton Washington Hotel.

Message to the Congress Transmitting the Annual Economic Report of the President

February 10, 1982

To the Congress of the United States:

In the year just ended, the first decisive steps were taken toward a fundamental reorientation of the role of the Federal Government in our economy—a reorientation that will mean more jobs, more opportunity, and more freedom for all Americans. This long overdue redirection is designed to foster the energy, creativity, and ambition of the American people so that they can create better lives for themselves, their families, and the communities in which they live. Equally important, this redirection puts the economy on the path of less inflationary but more rapid economic growth.

My economic program is based on the fundamental precept that government must respect, protect, and enhance the freedom and integrity of the individual. Economic policy must seek to create a climate that encourages the development of private institutions conducive to individual responsibility and initiative. People should be encouraged to go about their daily lives with the right and the responsibility for determining their own activities, status, and achievements.

This *Report* reviews the condition of the American economy as it was inherited by this Administration. It describes the policies which have been adopted to reverse the debilitating trends of the past, and which will lead to recovery in 1982 and sustained, noninflationary growth in the years to follow. And, finally, this *Report* explains the impact these policies will have on the economic well-being of all Americans in the years to come.

The Legacy of the Past

For several decades, an ever-larger role for the Federal Government and, more recently, inflation have sapped the economic vitality of the Nation.

In the 1960s Federal spending averaged 19.5 percent of the Nation's output. In the 1970s it rose to 20.9 percent, and in 1980 it reached 22.5 percent. The burden of tax revenues showed a similar pattern, with increasingly high tax rates stifling individual initiative and distorting the flow of saving and investment.

The substantially expanded role of the Federal Government has been far deeper and broader than even the growing burden of spending and taxing would suggest. Over the past decade the government has spun a vast web of regulations that intrude into almost every aspect of every American's working day. This regulatory web adversely affects the productivity of our Nation's businesses, farms, educational institutions, State and local governments, and the operations of the Federal Government itself. That lessened productivity growth, in turn, increases the costs of the goods and services we buy from each other. And those regulations raise the cost of government at all levels and the taxes we pay to support it.

Consider also the tragic record of inflation—that unlegislated tax on everyone's income—which causes high interest rates and discourages saving and investment. During the 1960s, the average yearly increase in the consumer price index was 2.3 percent. In the 1970s the rate more than doubled to 7.1 percent; and in the first year of the 1980s it soared to 13.5 percent. We simply cannot blame crop failures and oil price increases for our basic inflation problem. The continuous, underlying cause was poor government policy.

The combination of these two factors—ever higher rates of inflation and ever greater intrusion by the Federal Government into the Nation's economic life—have played a major part in a fundamental deterioration in the performance of our economy. In the 1960s productivity in the American economy grew at an annual rate of 2.9 percent; in the 1970s productivity growth slowed by nearly one-half, to 1.5 percent. Real gross national product per capita grew at an annual rate of 2.8 percent in the 1960s compared to 2.1 percent in the 1970s. This deterioration in our economic performance has been accompanied by inadequate growth in employment opportunities for our Nation's growing work force.

Reversing the trends of the past is not an easy task. I never thought or stated it would be. The damage that has been inflicted on our economy was done by imprudent and inappropriate policies over a period of many years; we cannot realistically expect to undo it all in a few short months. But during the past year we have made a substantial beginning.

Policies for the 1980s

Upon coming into office, my Administration set out to design and carry out a long-run economic program that would decisively reverse the trends of the past, and make growth and prosperity the norm, rather than the exception for the American economy. To that end, my first and foremost objective has been to improve the performance of the economy by reducing the role of the Federal Government in all its many dimensions. This involves a commitment to reduce Federal spending and taxing as a share of gross national product. It means a commitment to reduce progressively the size of the Federal deficit. It involves a substantial reform of Federal regulation, eliminating it where possible and simplifying it where appropriate. It means eschewing the stop-and-go economic policies of the past which, with their short-term focus, only added to our long-run economic ills.

A reduced role for the Federal Government means an enhanced role for State and local governments. A wide range of Federal activities can be more appropriately and efficiently carried out by the States. I am proposing in my *Budget Message* a major shift in this direction. This shift will eliminate the "freight charge" imposed by the Federal Government on the taxpayers' money when it is sent to Washington and then doled out again. It will permit a substantial reduction in Federal employment involved in administering these programs. Transfers of programs will permit public sector activities to be more closely tailored to the needs and desires of the electorate, bringing taxing and spending decisions closer to the people. Furthermore, as a result of last year's Economic Recovery Tax Act, Federal taxation as a share of national income will be substantially reduced, providing States and localities with an expanded tax base so that they can finance those transferred programs they wish to continue. That tax base will be further increased later in this decade, as Federal excise taxes are phased out.

These initiatives follow some common sense approaches to making government more efficient and responsive:

- We should leave to private initiative all the functions that individuals can perform privately.
- We should use the level of government closest to the community involved for all the public functions it can handle. This principle includes encouraging intergovernmental arrangements among the State and local communities.
- Federal Government action should be reserved for those needed functions that only the national government can undertake.

The accompanying report from my Council of Economic Advisers develops the basis for these guidelines more fully.

To carry out these policies for the 1980s, my Administration has put into place a series of fundamental and far-reaching changes in Federal Government spending, taxing, and regulatory policy, and we have made clear our support for a monetary policy that will steadily bring down inflation.

Slowing the Growth of Government Spending

Last February I promised to bring a halt to the rapid growth of Federal spending. To that end, I made budget control the cutting edge of my program for economic recovery. Thanks to the cooperation of the Congress and the American people, we have taken a major step forward in accomplishing this objective, although much more remains to be done.

The Congress approved rescissions in the fiscal 1981 budget of $12.1 billion, by far the largest amount ever cut from the budget through this procedure. Spending for fiscal 1982 was subsequently reduced by another $35 billion. The Omnibus Budget Reconciliation Act of 1981 also cut $95 billion from the next 2 fiscal years, measured against previous spending trends. Many of these cuts in so-called "uncontrollable" programs were carried out by substantive changes in authorizing legislation, demonstrating that we can bring government spending under control—if only we have the will. These spending cuts have been made without damaging the programs that many of our truly needy Americans depend upon. Indeed, my program will continue to increase the funds, before and after allowing for inflation, that such programs receive in the future.

In this undertaking to bring spending under control, I have made a conscious effort to ensure that the Federal Government fully discharges its duty to provide all Americans with the needed services and protections that only a national government can provide. Chief among these is a strong national defense, a vital function which had been allowed to deteriorate dangerously in previous years.

As a result of my program, Federal Government spending growth has been cut drastically—from nearly 14 percent annually in the 3 fiscal years ending last September to an estimated 7 percent over the next 3 years—at the same time that we are rebuilding our national defense capabilities.

We must redouble our efforts to control the growth in spending. We face high, continuing, and troublesome deficits. Although these deficits are undesirably high, they will not jeopardize the economic recovery. We must understand the reasons behind the deficits now facing us: recession, lower inflation, and higher interest rates than anticipated. Although my original timetable for a balanced budget is no longer achievable, the factors which have postponed it do not mean we are abandoning the goal of living within our means. The appropriate ways to reducing the deficit will be working in our favor in 1982 and beyond: economic growth, lower interest rates, and spending control.

Reducing Tax Burdens

We often hear it said that we work the first few months of the year for the government and then we start to work for ourselves. But that is backwards. In fact, the first part of the year we work for ourselves. We begin working for the government only when our income reaches taxable levels. After that, the more we earn, the more we work for the government, until rising tax rates on each dollar of extra income discourage many people from further work effort or from further saving and investment.

As a result of passage of the historic Economic Recovery Tax Act of 1981, we have set in place a fundamental reorientation of our tax laws. Rather than using the tax system to redistribute existing income, we have significantly restructured it to encourage people to work, save, and invest more. Across-the-board cuts in individual income tax rates phased-in over 3 years and the indexing of tax brackets in subsequent years will help put an end to making inflation profitable for the Federal Government. The reduction in marginal rates for all taxpayers, making Individual Retirement Accounts available to all workers, cutting the top tax bracket from 70 percent to 50 percent, and reduction of the "marriage penalty" will have a powerful impact on the incentives for all Americans to work, save, and invest.

These changes are moving us away from a tax system which has encouraged individuals to borrow and spend to one in which saving and investment will be more fully rewarded.

To spur further business investment and

productivity growth, the new tax law provides faster write-offs for capital investment and a restructured investment tax credit. Research and development expenditures are encouraged with a new tax credit. Small business tax rates have been reduced.

Regulatory Reform

My commitment to regulatory reform was made clear in one of my very first acts in office, when I accelerated the decontrol of crude oil prices and eliminated the cumbersome crude oil entitlements system. Only skeptics of the free market system are surprised by the results. For the first time in 10 years, crude oil production in the continental United States has begun to rise. Prices and availability are now determined by the forces of the market, not dictated by Washington. And, helped by world supply and demand developments, oil and gasoline prices have been falling, rather than rising.

I have established, by Executive order, a process whereby all executive agency regulatory activity is subject to close and sensitive monitoring by the Executive Office of the President. During the first year of my Administration, 2,893 regulations have been subjected to Executive Office review. The number of pages in the *Federal Register*, the daily publication that contains a record of the Federal Government's official regulatory actions, has fallen by over one-quarter after increasing steadily for a decade.

But the full impact of this program cannot be found in easy-to-measure actions by the Federal Government. It is taking place outside of Washington, in large and small businesses, in State and local governments, and in our schools and hospitals where the full benefits of regulatory reform are being felt. The redirection of work and effort away from trying to cope with or anticipate Federal regulation toward more productive pursuits is how regulatory reform will make its greatest impact in raising productivity and reducing costs.

Controlling Money Growth

Monetary policy is carried out by the independent Federal Reserve System. I have made clear my support for a policy of gradual and less volatile reduction in the growth of the money supply. Such a policy will ensure that inflationary pressures will continue to decline without impairing the operation of our financial markets as they mobilize savings and direct them to their most productive uses. It will also ensure that high interest rates, with their large inflation premiums, will not longer pose a threat to the well-being of our housing and motor vehicle industries, to small business and farmers, and to all who rely upon the use of credit in their daily activities. In addition, reduced monetary volatility will strengthen confidence in monetary policy and help lower interest rates.

The International Aspects of the Program

The poor performance of the American economy over the past decade and more has had its impact on our position in the world economy. Concern about the dollar was evidenced by a prolonged period of decline in its value on foreign exchange markets. A decline in our competitiveness in many world markets reflected, in part, problems of productivity at home.

A strengthened domestic economy will mean a faster growing market for our trading partners and greater competitiveness for American exports abroad. At the same time it will mean that the dollar should increase in its attractiveness as the primary international trading currency, and thus provide more stability to world trade and finance.

I see an expansion of the international trading system as the chief instrument for economic growth in many of the less developed countries as well as an important factor in our own future and that of the world's other major industrial nations. To this end, I reaffirm my Administration's commitment to free trade. International cooperation is particularly vital, however, in confronting the challenge of increased protectionism both at home and abroad. My Administration will work closely with other nations toward reducing trade barriers on an even-handed basis.

I am sensitive to the fact that American domestic economic policies can have significant impacts on our trading partners and on the entire system of world trade and finance. But it is important for all concerned that the United States pursue economic policies that focus on our long-run problems, and lead to sustained and vigorous growth at home. In this way the United States will continue to be a constructive force in the world economy.

1981: Building for the Future

In 1981 not only were the far-reaching policies needed for the remainder of the 1980s developed and put into place, their first positive results also began to be felt.

The most significant result was the contribution these policies made to a substantial reduction in inflation, bringing badly needed relief from inflationary pressures to every American. For example, in 1980 the consumer price index rose 13.5 percent for the year as a whole; in 1981 that rate of increase was reduced substantially, to 10.4 percent. This moderation in the rate of price increases meant that inflation, "the cruelest tax," was taking less away from individual savings and taking less out of every working American's paycheck.

There are other, more indirect but equally important benefits that flow from a reduction in inflation. The historically high level of interest rates of recent years was a direct reflection of high rates of actual and expected inflation. As the events of this past year suggested, only a reduction in inflationary pressures will lead to substantial, lasting reductions in interest rates.

In the 6 months preceding this Administration's taking office, interest rates had risen rapidly, reflecting excessively fast monetary growth. Since late last summer, however, short- and long-term interest rates have, on average, moved down somewhat in response to anti-inflationary economic policies.

Unfortunately, the high and volatile money growth of the past, and the high inflation and high interest rates which accompanied it, were instrumental in bringing about the poor and highly uneven economic performance of 1980 and 1981, culminating in a sharp fall in output and a rise in unemployment in the latter months of 1981.

This Administration views the current recession with concern. I am convinced that our policies, now that they are in place, are the appropriate response to our current difficulties and will provide the basis for a vigorous economic recovery this year. It is of the greatest importance that we avoid a return to the stop-and-go policies of the past. The private sector works best when the Federal Government intervenes least. The Federal Government's task is to construct a sound, stable, long-term framework in which the private sector is the key engine to growth, employment, and rising living standards.

The policies of the past have failed. They failed because they did not provide the environment in which American energy, entrepreneurship, and talent can best be put to work. Instead of being a successful promoter of economic growth and individual freedom, government became the enemy of growth and an intruder on individual initiative and freedom. My program—a careful combination of reducing incentive-stifling taxes, slowing the growth of Federal spending and regulations, and a gradually slowing expansion of the money supply—seeks to create a new environment in which the strengths of America can be put to work for the benefit of us all. That environment will be an America in which honest work is no longer discouraged by ever-rising prices and tax rates, a country that looks forward to the future not with uncertainty but with the confidence that infused our forefathers.

RONALD REAGAN

February 10, 1982.

Note: The President's message is printed in the report entitled "Economic Report of the President, Transmitted to the Congress, February 1982—Together With the Annual Report of the Council of Economic Advisers" (Government Printing Office, 357 pages).

Remarks at a White House Reception for Women Appointees of the Administration

February 10, 1982

Thank you very much. I appreciate that very much, and seeing the great number of you—and that there are many more appointees than would be here today—makes me very proud. But I'm not just proud of some quota or number or statistic; I'm proud because of the qualifications, the ability, and the energies that each of you brings to this administration. All of you are here as part of this administration for one reason and one reason only: because your country needs you. I appreciate the sacrifice that many of you have made to be here in government, and since most of you have been on the job for some time, my message is not so much one of welcome as it is to thank you for your hard work and to rally you once again to the cause that brought us all here.

We've come to government at a time of economic crisis, and we've only begun to sort out the mess that had been building for 40 years. But that was before any of us were born, of course. [*Laughter*] But the difficulties we face today only prove the failure of the programs that came before. In the rough and tumble of political debate, as the temptations grow to waver from our course when each day brings new tests to our convictions, let us remember that our time here is very short. We're only temporary stewards of this great land, and we're not here to make our careers as bureaucrats, advocates of the status quo. We're here to make the Federal Government work for the people, to make it once more play the positive but limited role that it was intended to play.

You know, I've had the pleasure sometimes of talking to young people on campuses or in high schools, and questions come up about the Constitution and so forth. And I've read the copy of the Soviet constitution and it contains a great many terms that are in ours. They talk about a lot of things that don't happen there, like freedom of speech and right to assemble and so forth. But then I always delight in pointing out to them: Everybody has a constitution, but what makes ours different? And I just mentioned it in that last sentence. What makes ours really different is all those other constitutions tell the people what the government will do for them and let them do, and ours is a constitution that says we, the people, will allow the government to do the following things, and anything we don't allow government to do, government can't do. Government's tended to forget that lately.

Each day as you go into your offices, remember, we came to this place to pare the unmanageable size of government, to reduce its massive bulk, its powers, and its waste, to free our people and our economy from its oppressive hand. The minute that any of you start to think of government as "we" instead of "they," we've been here too long.

I told maybe some of you the other day in a talk that I know it's hard, it's hard when you're up to your armpits in alligators to remember you came here to drain the swamp. [*Laughter*]

But this is our chance to restore America. And as I look at you, I'm confident we can do it. Our programs are designed to bring prosperity to all people, to start all people moving up again on the economic ladder. And reforms in our tax code, such as increased allowances for IRAs, a reduction in the marriage penalty, an easing of inheritance taxes that will allow virtually all estates to pass untaxed to surviving spouses will have particular benefit for women. And I got news for you—[*laughing*]—it ain't going to hurt the men either. [*Laughter*]

But we must rout out discrimination wherever it exists, whether on the basis of race, religion, or sex, or any other arbitrary barrier. Together we can work to remove it from this government. And working with State and local officials, we can eliminate it at other levels.

We've launched a new task force on legal equality for women and a 50-State project that will examine State laws and regulations for discriminatory language. And incidentally—while it's true, I confess that I don't believe in the equal rights amendment as the best way to end discrimination against women—I do believe such discrimination must be eliminated.

While I was Governor of California, we looked at our laws and we found 14 statutes—it was difficult to believe that anyone had ever passed such laws and that they were still on the books—and we wiped them off the books and got rid of them. So we have to look for others and repeal them.

We must continue our progress toward the America we all dream of, the America where people are hired and promoted and rewarded on the basis of ability and willingness to work. And if all of us—not just those of us in this room—but all of us are committed to that goal, then together we can and will achieve it.

I said on the anniversary of our assuming office that our days of quick and sensational victories are behind us, and we have left the glamorous days of initial commitment and face the grit of the long haul. I heard somebody the other day on the air, on one of the panel shows, saying that the honeymoon is over. Well, as I remember back to last year, I want to tell you, if that was a honeymoon, romance is dead in Washington. [*Laughter*]

In the days ahead, I'll be relying more than ever on your commitment, your ideas, and your staying power. I believe in the course we've charted for America, and with your help we're going to stick to it.

If our priorities are clear and if we pool together, there's nothing that we can't accomplish. All we have to do is just remember why we're here.

And again, I thank all of you very much because you're here. Thank you.

Note: The President spoke at 12:39 p.m. in the East Room at the White House.

Message on National Brotherhood Week
February 10, 1982

During Brotherhood Week we are especially reminded of the need for a national commitment to brotherhood and to the elimination of all forms of prejudice and discrimination in American society.

Surely one of this nation's greatest resources is the diversity of a people whose ancestry can be traced to an extraordinary variety of national origins and cultures. Though we differ in many respects, we share a love of this country and the freedom for which it stands. Even more fundamentally, as the Bible teaches, "Have we not all one father? hath not one God created us?"

Throughout the year, let us join together as brothers in the family of man and reach across the religious and racial boundaries which unnecessarily divide neighbor against neighbor. Through friendship and understanding, we all stand to gain. Let us work and grow together as one great nation.

RONALD REAGAN

Appointment of Robert G. Howlett as Chairman and Member of the Federal Service Impasses Panel
February 10, 1982

The President today announced his intention to appoint Robert G. Howlett to be Chairman and member of the Federal Service Impasses Panel, Federal Labor Relations

Authority, for the remainder of the term expiring January 10, 1984. He would succeed Howard G. Gamser.

Since 1949 Mr. Howlett has been a partner in the firm now known as Schmidt, Howlett, Van't Hof, Snell & Vana in Grand Rapids, Mich. He has also been a member and chairman of the committees of the section of labor relations law, American Bar Association. He served as a member and chairman of the Michigan Labor Mediation Board (now Michigan Employment Relations Commission) in 1963–76. In 1976 Mr. Howlett was appointed by President Ford as Chairman of the Federal Service Impasses Panel and served in that capacity until 1978.

He graduated from Northwestern University (B.S., 1929; J.D., 1932). He is married, has three children, and resides in Grand Rapids, Mich. Mr. Howlett was born November 10, 1906, in Bay City, Mich.

Remarks at the Swearing-In Ceremony for Vivian Vahlberg as President of the National Press Club

February 10, 1982

The President. Well, thank you for that warm welcome, Helen, and fellow members. It's a real pleasure to pay another visit to this fine old club, where so much history has been made. And tonight we're making it again with the inauguration of the first woman president in the National Press Club's long history. After 74 years, it's about time. [*Laughter*] And speaking of septuagenarians, I've got to have a little talk with your financial secretary, as I understand that I'm eligible for reduced dues. [*Laughter*]

For tonight, though, we have more pressing business. I know I speak for all my fellow members when I say thank you to our outgoing president, Joe Slevin, for a job well done. And best wishes to Vivian Vahlberg on the office she's about to assume.

I'm only the latest of many Presidents to visit the club. One of my favorites, Cal Coolidge, dedicated this building. [*Laughter*] They didn't call him Cal for nothing. I'm sure you all remember how he answered that inquisitive lady who said she had a bet that she could get more than three words out of him. He looked at her for a minute and then said, "You lose." [*Laughter*]

Well, tonight nobody loses. The club begins a new era. That's era, not ERA. [*Laughter*] And it's also on the threshold of a promising renovation program. I can honestly say that I feel a sense of humility standing here at this moment in the same building where silent Cal laid the cornerstone, Harry Truman played the piano, and Richard Nixon ate a hamburger. [*Laughter*] What's left for me? The cornerstone is already in place. I can't play the piano, and my foodtaster is home sick—something he ate no doubt. [*Laughter*] But like a second Tip O'Neill, I'll stoop to the occasion. [*Laughter*] In what has come to be informal Oklahoma tradition, I'll administer a pledge of office to Vivian.

Now 14 years ago, Lyndon Johnson was here when Allan Cromley was sworn in for this same office. And Al seems to have survived that glorious burden with flying colors. He's here with us tonight and still bureau chief for the Daily Oklahoman, where Vivian has served with such distinction for the past 11 years. Actually, I was second choice for this job. I'm pinch-hitting for Justice Sandra Day O'Connor, who had a previous engagement. [*Laughter*]

Ms. Vahlberg. Not true. First choice.

The President. But I understand the oath of office has been revised to fit the special nature of tonight's occasion, so it may sound a bit unfamiliar to some of the veteran members.

Vivian, stand by—this isn't really binding, so you don't need to hold up your right hand. [*Laughter*] Dearly beloved—[*laughter*]—we are gathered together this evening under the slightly bleary eyes of the membership to join together this, shall we say, newsperson in unholy matrimony with the office of president of the National Press Club. If anyone knows any reason why this ceremony should not take place, forget it. [*Laughter*] You've already voted and it was unanimous. The chair having heard no objections, we'll proceed.

Do you, Vivian, promise to love, honor, and obey the constitution of the National Press Club, to cherish it always, in sickness and in health, through deficits and remodeling—[*laughter*]—till politics do you part? Do you promise to uphold the sacred traditions of the card room, the billiard room, and the tap room—[*laughter*]—and to brave the slings and arrows of outrageous board and membership meetings? [*Laughter*] Most of all, do you promise to keep the National Press Club a warm and vital place where writers, reporters, newsmakers, and other questionable types—[*laughter*]—meet to formally and informally exchange views, ideas, and plain good fellowship, to maintain what is finest in its past and work to build its future as a major world news center? If so, please signify by saying, "I do."

Ms. Vahlberg. I do.

The President. I wish the answers at my press conferences were that simple. [*Laughter*] But then, I guess these questions make more sense than a lot of the questions that I'm asked there. [*Laughter*]

All right then, Vivian, as a retired journalist, as a proud member of the National Press Club, and as the chief executive of another Washington concern with deficit problems—[*laughter*]—I now pronounce you president of the National Press Club.

What I don't know is, Vivian, do I kiss the bride—but, you'd better kiss her. [*Laughter*]

Ms. Vahlberg. Thank you very much.

The President. We'll just shake hands.

Ms. Vahlberg. Okay. [*Laughter*]

Ms. Thomas. Thank you, Mr. President, and don't forget to leave the seal. [*Laughter*]

Note: The President spoke at 8:06 p.m. in the National Press Club Ballroom at the National Press Building. He was introduced by Helen Thomas of United Press International.

Letter Accepting the Resignation of Joseph W. Canzeri as Assistant to the President
February 10, 1982

Dear Joe:

It is with deepest personal regret that I accept your resignation as Assistant to the President.

Over the past year and a half, you have served not just me but our nation with distinction, honor and a personal energy that knows few parallels. From early morning until late in the evening, both on the road and here in the White House, there was one man I could always call upon for help and know that within minutes I would hear that familiar answer: "Done". No one who has known you through these days will forget your colorful character—the laughter, the verve, the spirit—but those who know you best will treasure even more those inner qualities of loyalty and character that are so much a part of you.

Nancy and I will always have a warm place in our hearts for you, Joe, and we hope that you will honor us with your presence in our house many times in the years ahead.

With every good wish,

Sincerely,

RON

[The Honorable Joseph W. Canzeri, Assistant to the President, The White House, Washington, D.C. 20500]

February 10, 1982

My Dear Mr. President:

After having the privilege of serving you in your campaign and in the first year of your Presidency, I am today submitting my resignation as Assistant to the President.

My intention from the beginning was to serve you and the ideals you represent. I was committed to remaining a member of your Administration as long as I could make an effective contribution.

I remain fully supportive of you and the programs you have undertaken. You truly made a new beginning and, from the private sector, I shall do everything in my power to see that these great initiatives continue.

No one in the Administration has advised or encouraged me to step aside, but I believe it is in the best interest of you and your Administration to do so.

I leave with deep appreciation for the privilege of having served you in a great undertaking. There is no doubt that this is—and shall always be—the highlight of my life.

Respectfully submitted,

JOE
Joseph W. Canzeri

[The Honorable Ronald W. Reagan, President of the United States, The White House, Washington, D.C. 20500]

Toast at a White House Dinner Honoring the Chiefs of Diplomatic Missions

February 11, 1982

Mr. Ambassador, Mrs. Ghorbal, Your Excellencies, and ladies and gentlemen:

Nancy and I are delighted to welcome you here tonight. It's a great pleasure to have this chance to meet with you more as friends than as representatives of our countries, more for passing a pleasant evening than transacting business.

It's inspiring to look around this room, to think of the many languages, cultures, religions, and traditions that are present here tonight. Some might say this gathering is a microcosm of the problems that the world faces—[*laughter*]—but to me this gathering is a sample of the opportunities we have to communicate on a personal level and to cooperate as representatives of our independent nations.

This room is occupied by men and women aware of their responsibilities and respectful of the obligations of others. Those responsibilities and obligations are at times in conflict, but our commitment to civility and the proper discourse between nations should never waiver. Today's diplomats shoulder a tremendous burden, but the effort is reminiscent of Antilles, the character in Greek mythology, who drew his strength from the Earth: So long as he touched the Earth, he could not be defeated, but when he lost touch, he grew frail. As long as our governments stay in touch with the hopes and aspirations of our people, the prospects for world peace will be strong.

Beneath our diversity, the peoples of the world have similar goals. They look for dignity, peace, freedom, and a chance to prosper. These common dreams will be the source of our strength.

George Santayana, an American traveler and philosopher, once said, "A man's feet must be planted in his country, but his eyes should survey the world." Well, this is the vision required of each of us and of every world leader. We must uncompromisingly represent the interests of our countries, yet be ever mindful that by our actions, we are determining the future of mankind.

If I may, I would present to you the same words with which I would challenge an assembly of American diplomats: In the conduct of your duties, be diligent; in the search for peace, be bold.

The people of the world owe a special debt of gratitude to diplomats and their families, who today must cope not only with the frustrations inherent with the profession, but also with personal danger. In the last 15 years, diplomats from over a hundred countries have been victims of terrorist attacks. Fortunately, most have survived those attacks; a few, tragically, have not. Those who perpetrate these dastardly acts should never doubt that every nation considers an attack on any diplomat as a crime against mankind which will not be tolerated in any land.

Reflecting on this, we're grateful to the diplomatic community for your courage and your perseverance. So, since there's no one of us that will be toasted separately, I ask you now to raise your glasses with me in a toast in honor of the Washington Chiefs of Missions: May mankind profit by what we do.

Now, don't break the glasses in the fireplace. [*Laughter*]

Note: The President spoke at 9:50 p.m. in the East Room at the White House at the first of two dinners honoring the chiefs of diplomatic missions. Ambassador Ashraf A. Ghorbal of Egypt responded to the President's toast.

Nomination of Edwin J. Feulner, Jr., To Be a Member of the United States Advisory Commission on Public Diplomacy

February 12, 1982

The President today announced his intention to nominate Edwin J. Feulner, Jr., to be a member of the United States Advisory Commission on Public Diplomacy for the remainder of the term expiring July 1, 1982 and for the term expiring July 1, 1985. He would succeed Jean McKee. Upon confirmation, the President intends to designate Mr. Feulner Chairman.

Since 1977 Mr. Feulner has been president of the Heritage Foundation in Washington, D.C. He served briefly as executive vice president in 1977. Previously, he was executive director, the Republican Study Committee, U.S. House of Representatives, in 1974–77; legislative assistant, administrative assistant, and special assistant to Representative Philip M. Crane (R–Ill.), in 1970–77; and was public affairs fellow, Hoover Institute, Stanford, Calif., in 1967.

Mr. Feulner graduated from Regis College, Denver, Colo. (B.S., 1963) and Wharton School of Commerce and Finance, University of Pennsylvania (M.B.A., 1974). He is married, has two children, and resides in Alexandria, Va. He was born August 12, 1941, in Chicago, Ill.

Nomination of Hershey Gold To Be a Member of the United States Advisory Commission on Public Diplomacy

February 12, 1982

The President today announced his intention to nominate Hershey Gold to be a member of the United States Advisory Commission on Public Diplomacy for a term expiring July 1, 1984. He would succeed Neil Sherburne.

Mr. Gold is chairman of the board, Super Yarn Mart, in Los Angeles, Calif. He is also a general partner with the Commercial Business Credit Co. and Shenandoah Properties.

He is chairman of the State of Israel Bonds for the greater Los Angeles area and is national vice president and member of the international board of directors of Shaare Zedek Medical Center of Jerusalem, Israel.

Mr. Gold is married, has two children, and resides in Los Angeles, Calif. He was born August 21, 1920, in Chicago, Ill.

Nomination of Alfred S. Bloomingdale To Be a Member of the United States Advisory Commission on Public Diplomacy

February 12, 1982

The President today announced his intention to nominate Alfred S. Bloomingdale to be a member of the United States Advisory Commission on Public Diplomacy for the remainder of the term expiring July 1, 1982 and for the term expiring July 1, 1985. He would succeed Mae Sue Talley.

Mr. Bloomingdale is a corporation executive in New York City. He was chairman of the board of directors of Diners' Club in 1964–70.

He is married, has two children, and resides in New York and Los Angeles, Calif. He was born April 15, 1916, in New York.

Proclamation 4897—National Day of Prayer

February 12, 1982

By the President of the United States of America

A Proclamation

National prayer is deeply rooted in our American heritage. From the earliest days of our Republic, Americans have asked God to hear their prayers in times of sorrow and crisis and in times of bounty.

The first National Day of Prayer was proclaimed in 1775 by the Second Continental Congress. As thousands gathered in prayer in places of worship and encampments throughout the new land, the dispersed colonists found a new spirit of unity and resolve in this remarkable expression of public faith. For the first time, Americans of every religious persuasion prayed as one, asking for divine guidance in their quest for liberty and justice. Ever since, Americans have shared a special sense of destiny as a nation dedicated under God to the cause of liberty for all men.

Through the storms of Revolution, Civil War, and the great World Wars, as well as during times of disillusionment and disarray, the nation has turned to God in prayer for deliverance. We thank Him for answering our call, for, surely, He has. As a nation, we have been richly blessed with His love and generosity.

Just 30 years ago, a Joint Resolution of the Congress requested the President to proclaim a day each year, other than a Sunday, as a National Day of Prayer, on which the people of the United States may turn to God in prayer and meditation in places of worship, in groups, and as individuals. Eight Presidents since then have annually proclaimed a Day of Prayer to the nation, resuming the tradition started by the Continental Congress.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim Thursday, May 6, 1982, National Day of Prayer. On that day, I ask Americans to join with me in giving thanks to Almighty God for the blessings He has bestowed on this land and the protection He affords us as a people. Let us as a nation join together before God, aware of the trials that lie ahead and of the need for divine guidance. With unshakable faith in God and the liberty which is our heritage, we as a free nation will continue to grow and prosper.

In Witness Whereof, I have hereunto set my hand this twelfth day of February, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 4:48 p.m., February 12, 1982]

Note: The President signed the proclamation at a ceremony attended by American religious leaders in the Cabinet Room at the White House.

Message on the 250th Anniversary of the Birth of George Washington

February 12, 1982

In celebrating the 250th birthday of George Washington, we commemorate the birth of a man whose unsurpassed contributions to our nation place him first in the hearts of all patriotic Americans. From our earliest struggle for independence, his easy, erect, and noble manner combined with his valor and dedication to duty earned him the esteem of his countrymen and gave his life the tenor of greatness.

He served without pay as commander of the Continental Army, endured the privations of Valley Forge, and secured our independence with a great victory at Yorktown. His daring and unshakable belief in this nation's destiny carried us through the darkest hours of that protracted conflict to nationhood. Without the faith and vision of General Washington, our democratic experiment might well have expired at an early age.

As President he unified the hearts and minds of his fellow citizens and inaugurated principles of state that continue to serve us today. His character and magnanimity of spirit permitted him to reconcile and harmonize contending factions and establish the Chief Executive as the President of all the people, not the servant of any single group. His judgment and self-command were instrumental in bringing respect and honor to our national government from the beginning.

But, most important, George Washington was a leader among men who believed that "honor, justice, and humanity" called upon them to be the trustees of liberty for posterity. He spoke to every generation of Americans when he said that "the preservation of the sacred fire of liberty and the destiny of the Republican model of Government, are justly considered as deeply, perhaps as finally staked, on the experiment entrusted to the hands of the American people."

Through ages yet to come, George Washington will be remembered with reverence in the hearts of free people everywhere. His life, his deeds, and his spirit are the noble expression of the hopes and dreams of all who seek the liberty essential to human dignity and progress.

RONALD REAGAN

Nomination of Clarence Thomas To Be a Member of the Equal Employment Opportunity Commission

February 12, 1982

The President today announced his intention to nominate Clarence Thomas to be a member of the Equal Employment Opportunity Commission for a term expiring July 1, 1986. He would succeed Eleanor Holmes Norton. Upon confirmation, the President intends to designate Mr. Thomas Chairman.

Mr. Thomas is currently serving as Assistant Secretary for Civil Rights, Department of Education. He was legislative assistant to Senator John C. Danforth (R-Mo.) in 1979–81; an attorney at the Monsanto Co. in 1977–79; and Assistant Attorney General of Missouri in 1974–77.

Mr. Thomas graduated from Holy Cross College and is a member of the board of trustees of that institution. He also graduated from Yale Law School (J.D., 1974). He was born June 23, 1948, in Savannah, Ga.

Appointment of Frank G. Zarb as a Member of the Advisory Committee on Federal Pay

February 12, 1982

The President today announced his intention to appoint Frank G. Zarb to be a member of the Advisory Committee on Federal Pay for a term expiring January 20, 1988. He would succeed Roy L. Ash.

Mr. Zarb is currently a general partner at Lazard Freres & Co., where he supervises a broad range of international investment banking activities. Previously, he held senior management posts at a New York-based investment banking organization, now named Shearson Loeb Rhoades. Mr. Zarb was Administrator, Federal Energy Administration, and Assistant to the President for Energy Affairs in 1974–77. He was Associate Director of the Office of Management and Budget in 1973–74 and Assistant Secretary of Labor in 1971–72.

Mr. Zarb is married, has two children, and resides in Port Washington, N.Y. He was born February 17, 1935, in New York City.

Appointment of John F. W. Rogers as Deputy Assistant to the President for Management

February 12, 1982

The President today announced the appointment of John F. W. Rogers to be Deputy Assistant to the President for Management.

Mr. Rogers was most recently Special Assistant to the President for Administration, where he has been responsible for the day-to-day administrative operations at the White House.

In his new position, he will assume greater management responsibility within the White House and Executive Office of the President (EOP). He will, at the same time, continue to serve as Director of the Office of Administration (a statutorily independent agency within the EOP) where he has responsibility for providing common administrative support to the various agencies of the Executive Office of the President. He will continue to act as the White House liaison with the General Services Administration, National Park Service, and Uniformed Division of the Secret Service.

During the Presidential transition, Mr. Rogers was executive assistant to James A. Baker III, director of the White House transition team.

Before joining the White House transition team, Mr. Rogers was assistant to the president for administration at the American Enterprise Institute for Public Policy Research (AEI). He joined the AEI staff in 1977 to help launch a new periodical, Public Opinion. He served on the editorial staff until he moved into the administrative ranks of the Institute.

In 1974 he joined the White House staff as a researcher and later became an assistant to the White House Communications

Director, a post he held until January 1977.

Mr. Rogers is a graduate of George Washington University and recipient of the Trautman Scholarship. He is a member of the board of trustees of the Capitol Historic Society. He was born in Seneca Falls, N.Y., on April 15, 1956.

Exchange With Reporters on the Situation in El Salvador and Budget Issues

February 12, 1982

Q. Mr. President, we'd like to invite you to drop by. [*Laughter*]

The President. Just a moment.

Q. All right, good.

Q. Could you tell us, Mr. President, why American soldiers are carrying M–16's in El Salvador?

The President. The only thing I can assume is that they were for personal protection, and I think that's understandable. But I'm asking for a full report, and we'll have one from the Defense Department.

Q. What is our policy in El Salvador with regard to American troops?

The President. The policy is that they do not engage in combat, nor were these gentlemen, as far as has been indicated, doing that, at all.

Q. Secretary Regan says that he doesn't think business has gotten the message—that's on the tax and economy—budget cuts.

The President. Well, I've heard from small business, and they're wholeheartedly in support of what we're doing. And I haven't had a chance to tell Don that.

Q. What about big business, Wall Street?

The President. I think that they're concerned about, again, that we might be going into an inflationary spiral. I don't think we are.

Q. But you're going to have to adjust the tax rates, aren't you, Mr. President? That's just something that's going to happen.

The President. No. I don't see any reason to. This is the only way to stimulate the economy, and that's the only way to really bring down the government spending to within its revenues, by expanding the economy. We've been limping along now for a few decades with these every once in a while, artificial stimulants that seem to be aimed at trying to get the economy going again. And every time, it's resulted in higher interest rates, higher inflation, greater unemployment, and now this is the worst that we've had in several of these last recessions.

Q. But can Congress really cut enough in an election year? Those poor fellows won't even be back if they make all the cuts you need.

The President. I think if they go out and meet the real people—and maybe they'll do that—they'll find out that the real people out there know that government has been—[*inaudible*]—too much.

Q. Sir, your own Republican troops are deserting you. Your own friend Senator Laxalt came out yesterday and said that he needed the running room.

The President. Well, I gave him some running room. I think that's perfectly, naturally normal. We had a very fine meeting, and I don't think there's any desertion taking place at all.

Q. Mr. President, what about interest rates? Is there anything you can do specifically to—on your own or the administration's part—to bring down those interest rates in the next some months?

The President. The program that we have in place is aimed at that, but also I think that we have to have more cooperation between ourselves and the Federal Reserve on this whole problem with regard to the money supply and a more consistent pattern.

Q. Was Ambassador Hinton speaking for you when he said that there had been excesses in the field of human rights—against human rights in El Salvador?

The President. Well, I just heard all of you on the news not too long ago—not very much time was given to it—but there was a mention that the guerrillas had attacked a village up on the Honduran border, and it was reported that a hundred people were killed. I'd consider that a violation of human rights.

Deputy Press Secretary Speakes. Thank you.

Q. But the Ambassador seemed to be going against your policy, sir.

The President. What?

Q. The Ambassador seemed to be complaining about the government in this case.

The President. Well, we know that there have been problems from both the left and the right. That's why we're supporting the Duarte government, which is between both of those factions, both of which have been somewhat extreme.

Q. Thank you, Mr. President.

Q. Do you think, Mr. President——

Q. What are you giving your wife for Valentine's Day?

The President. A valentine.

Note: The exchange began at 2:06 p.m. at the South Portico as the President was leaving the White House for the flight to Camp David, Md.

Proclamation 4898—National Patriotism Week, 1982

February 13, 1982

By the President of the United States of America

A Proclamation

National Patriotism Week affords all Americans a special opportunity to consider the meaning of an honorable term which has sometimes been misunderstood and misused.

True patriotism is a love of country, but it must be an intelligent love and not blind devotion to one's nation without regard to its ideals. Abraham Lincoln recognized this when, speaking in tribute of Henry Clay, he said:

"He loved his country partly because it was his own country, but mostly because it was a free country; and he burned with a zeal for its advancement, prosperity and glory, because he saw in such, the advancement, prosperity and glory, of human liberty, human right, and human nature."

The patriotism of Clay, Lincoln, and generations of Americans was of this nature. They loved their country because it was theirs but even more because it was a land where liberty, justice, and opportunity flourished. They did not love it because of its government but because of its people; not because of the role its government played in world affairs but because of the inspiration the very idea of America gave to every person, great and small, who made this blessed land his home, and to every person in the less fortunate lands of the world who, amid oppression, tyranny, and injustice—as in Poland today—looked to America as the land of freedom.

Americans today should dedicate themselves again to that true patriotism. We should dedicate ourselves again to the enduring values of family, neighborhood, work, peace, and freedom which have characterized our country these past two centuries. Let us do this, and our patriotism will be strong and fulfilling.

The Congress, by joint resolution (S.J. Res. 34), designated the week commencing with the third Monday in February of 1982 as "National Patriotism Week" and requested the President to issue a proclamation calling upon the people of the United States to commemorate that week with appropriate celebrations and observances.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate the week beginning February 15, 1982, as National Patriotism Week.

I invite all primary and secondary schools to conduct programs of study which are dedicated to those bedrock principles of national greatness devoted to rekindling the patriotic flame in all Americans.

I call upon all citizens of the United

States of America to commemorate National Patriotism Week with appropriate celebrations and observances.

In Witness Whereof, I have hereunto set my hand this thirteenth day of February, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 11:08 a.m., February 16, 1982*]

Letter to Republican Congressmen on the Program for Economic Recovery

February 13, 1982

Dear ————

A few days ago, I returned from a memorable three-state visit to America's heartland. In Iowa, Minnesota and Indiana, time and again I was inspired by the commitment and resolve of average citizens from all walks of life—farmers, factory workers, small businessmen and professionals pulling together through difficult times to make our country great again.

Thanks to their support—and the cooperation of the Congress—last year we were able to put in place the first phase of a program for economic recovery. We gave the American people the biggest tax relief package in this century, we cut the increase in government spending nearly in half, and we dramatically reduced inflation.

Together, we have won the opening battle in the war for economic recovery. But the struggle goes on. The economic mess that piled up over 50 years is not going to evaporate overnight.

I believe that the American people understand this, and at every stop on my trip through the heartland, they urged me to hold firm to the course we have charted for recovery. That course is as clear as it is essential. There will always be room for improvement in any budget and any economic policy. Where further savings can be found, or a better way of meeting agreed upon goals can be worked out, I pledge my full cooperation to you, and I want to hear from you. But my first and foremost obligation is to keep faith with the American people. When it comes to holding down taxes and insuring a strengthened national defense to protect the peace, there must be no such thing as retreat.

There's an old mountaineer saying that heroism is endurance for one moment more. I understand the nervousness that some members of Congress may feel in an election year. The temptation is always strong to go for the easy option, the quick fix that may buy a little time but solves nothing in the long run. Well, it was decades of quick fixes and time-buying that landed our country in the economic crisis we are now working to overcome. It will take courage and endurance—heroism and statesmanship—to see us through.

So, while you are home this week, I urge you to listen to the real voices of the American people, not just the squeaky wheels. May you draw strength from them as I have.

We are bringing the budget under control. We are winning the battle against inflation. We are bringing interest rates down. And we are returning resources and responsibilities to the people that will mean more savings, more freedom, more economic opportunity and more jobs for all Americans.

Where we have honest differences, you can count on me to be a willing listener and a sincere partner. But this is no time for turning back. Nothing should sway us from our basic commitments to the people.

Sincerely,

RONALD REAGAN

Letter to Prime Minister Menachem Begin of Israel on United States Military Assistance Policies for the Middle East

February 16, 1982

Dear Menachem:

Recent press reports have presented incorrect and exaggerated commentary regarding U.S. military assistance policies for the Middle East.

I want you to know that America's policy toward Israel has not changed. Our commitments will be kept. I am determined to see that Israel's qualitative technological edge is maintained and am mindful as well of your concerns with respect to quantitative factors and their impact upon Israel's security.

The policy of this government remains as stated publicly by me. Secretary Haig's and Secretary Weinberger's statements on the public record are also clear. There has been no change regarding our military supply relationship with Jordan, and Secretary Weinberger brought me no new request. Any decision on future sales to Jordan or any other country in the region will be made in the context of my Administration's firm commitment to Israel's security and the need to bring peace to the region.

Israel remains America's friend and ally. However, I believe it is in the interest of both our countries for the United States to enhance its influence with other states in the region. I recognize the unique bond between the United States and Israel and the serious responsibilities which this bond imposes on us both.

Sincerely,

RON

[His Excellency Menachem Begin, Prime Minister of Israel]

Nomination of Peter H. Dailey To Be United States Ambassador to Ireland

February 16, 1982

The President today announced his intention to nominate Peter H. Dailey, of California, to be Ambassador to Ireland. He would succeed William V. Shannon.

Mr. Dailey has been chairman, president, and chief executive officer of Dailey International Group in Los Angeles, Calif., since 1968. He has also been a partner of Running Y Ranch, Klamath Falls, Oreg., since 1972 and vice chairman and director of Shamrock Broadcasting since 1979. He was senior vice president and director, western and far eastern regions, of Campbell Ewald Co., in 1964–68. Mr. Dailey was vice president of Foote, Cone and Belding in 1963–64.

He served in the United States Navy in 1954–56. Mr. Dailey graduated from the University of California (B.S., 1954). He is married, has five children, and resides in San Marino, Calif. He was born May 1, 1930, in New Orleans, La.

Remarks of the President and Prime Minister Wilfried Martens of Belgium Following Their Meeting

February 17, 1982

The President. Ladies and gentlemen, I'll make this very brief.

Prime Minister Martens and Foreign Minister Tindemans and their party and the other representatives of the Government of Belgium—but also the Prime Minister is the President of the European Community Council—we've had a very valuable meeting, covered a great range of issues, found ourselves in great agreement with regard to the double-track of the Intermediate Nuclear Forces.

We had great discussion and found great agreement and support here with regard to our position in El Salvador and a recognition of what is at stake there, and a very fruitful discussion of the economy, economic trade, and what we can do to be mutually helpful.

So, Mr. Prime Minister, we're very proud and happy to have had you here and look forward to further meetings.

The Prime Minister. Ladies and gentlemen, first of all I would like to repeat my thanks to the President for his generous hospitality. It is indeed for the Belgian delegation an honor and a particular pleasure to be here in Washington.

Secondly, I can fully subscribe to the statement that the President has just made. In my capacity of Prime Minister of Belgium and as Chairman of the European Council, I had the opportunity to explain to our American friends both the Belgian and the European positions. The discussion with the President and his advisers, though they will be pursued right away with the Secretary of State, have proved very useful in fostering mutual understanding.

The Atlantic Alliance, the Western economies are going through very difficult times, and our solidarity is being put to the test. I have always been convinced that the partnership between Europe and the United States not only can meet this challenge but can also come out stronger after open and frank exchange of views.

I am today comforted in that opinion. And I am sure that the will exists on both sides of the Atlantic to pool our efforts to cope with the difficult situation we are facing. Our two countries have the same goals—peace, prosperity, and the democratic ideals of individual freedom. The differences, when they occur, are more on tactics than on substance. I am looking forward to pursuing this conversation along with other allies when we will meet again at the next NATO summit in June.

I thank you.

Note: The President spoke at 1:15 p.m. to reporters assembled at the South Portico of the White House.

Earlier in the day, the President and the Prime Minister met in the Oval Office, along with the Vice President, Secretary of State Alexander M. Haig, Jr., Assistant to the President for National Security Affairs William P. Clark, U.S. Ambassador to Belgium Charles H. Price II, Belgian Foreign Minister Leo Tindemans, and Belgian Ambassador to the United States J. Raoul Schoumaker. The President and the Prime Minister then attended a working luncheon with their delegations in the State Dining Room at the White House.

Message on the Observance of Dutch-American Friendship Year

February 17, 1982

April 19, 1982 marks the two hundredth anniversary of the establishment of diplomatic relations between The Netherlands and the United States of America. This is the United States' longest unbroken, peaceful relationship with any foreign power.

From the very beginning, Americans and Dutch were drawn together by mutual ideals. As early as 1776, the rebellious American colonies saw the republican Netherlands as a potential ally, while the Dutch viewed the North American colonies' struggle for independence as a parallel to their own historical struggle for freedom. The widespread sympathy and goodwill in The Netherlands for the success of the American quest for freedom was illustrated by several Dutch gestures that boosted colonial morale:

On the Dutch island of St. Eustatius in the Caribbean, the First foreign salute to the American flag took place on November 16, 1776; John Paul Jones was received as a hero in Amsterdam in 1779 when he landed with two captured British ships; and the Dutch Government entered into secret negotiations with the Continental Congress, starting in 1778, on the draft of a Treaty of Amity and Commerce.

But, most important, on April 19, 1782, John Adams was admitted by the States General of the Dutch Republic as Minister of the United States of America, thus obtaining the second diplomatic recognition of the United States as an independent nation. Adams also succeeded, on October 8, 1782, in signing the first Treaty of Amity and Commerce between the two countries. This shortly led to a series of vital loans totaling the equivalent of 12 million dollars. This recognition of the United States as an independent nation can be regarded as a culmination of our country's efforts to take its rightful place in the world community of nations as a sovereign state.

In the nineteenth century Dutch immigrants and capital continued to play an important role in the development of our young nation. A considerable part of upstate New York was developed by investments from The Netherlands, and the vast Louisiana Purchase was financed through loans placed in Amsterdam. Washington Irving wrote of the Dutch settlers of the Hudson Valley, and immigrants from Holland founded many new towns on the frontier of the 1840s in Iowa, Michigan and Wisconsin. The Netherlands helped finance much of the building of the great American railway systems which opened up the West and contributed three U.S. Presidents of Dutch descent—Martin Van Buren, Theodore Roosevelt, and Franklin Delano Roosevelt.

During the dark days of World War II, America was able to return this early support for our nationhood. Thousands of our young men are buried on Dutch soil, having given their lives in the liberation of The Netherlands.

Today, the United States and The Netherlands share a joint commitment to mutual security and the defense of freedom through our NATO partnership. Our close economic ties reinforce our common philosophic and political goals, and The Netherlands is now the top foreign investor in the United States—a clear sign of Dutch confidence in our country and its future.

While the particular expression of our policies and actions has not always been identical, the theme of common interests and shared ideals has been a hallmark of the continuously peaceful and productive relationship between the United States and The Netherlands for two hundred years.

In recognition of this long and fruitful relationship between our two countries, I call on all Americans to join with citizens of The Netherlands in observing 1982 with appropriate ceremonies and activities to recall the long-standing friendship and shared values of our two peoples.

RONALD REAGAN

Nomination of Rita M. Lavelle To Be an Assistant Administrator of the Environmental Protection Agency

February 18, 1982

The President today announced his intention to nominate Rita M. Lavelle to be an Assistant Administrator of the Environmental Protection Agency (Solid Waste and Emergency Response). She would succeed Marvin B. Durning.

Since 1979 Miss Lavelle has been director of communications, Aerojet Liquid Rocket Co., in Sacramento, Calif. She was director of communications, Cordova Chemical Co., in 1978–79; director of marketing, Intercontinental and Continental Chemicals, in 1976–78; department information officer and director of consumer education, California Department of Consumer Affairs, in 1971–76; and publications assistant to then-Governor Ronald Reagan in 1969–71.

Miss Lavelle graduated from Holy Name College (B.A., 1969) and Pepperdine University (M.B.A., 1980). She was named one of the Outstanding Women in Aerospace by Aerospace Magazine in 1980.

She resides in Sacramento, Calif., and was born September 8, 1947, in Portsmouth, Va.

The President's News Conference

February 18, 1982

The President. I have an opening statement, as you've been told, and then a comment that I'd like to make.

Cost Control Survey

In my State of the Union address, I said the time had come to control the uncontrollable in runaway government spending. And I also indicated that I would be announcing further measures to achieve this goal. Today I'm making such an announcement. And the need for the step I'm taking is clear.

Our Government is spending money at a rate that is intolerable, if not incomprehensible. Almost $2 billion a day, $1,400,000 a minute, and about $23,000 a second. And if I could estimate correctly how long it took me to get in here, I'd tell you how much was spent during that time—but then you'd find me wrong. [*Laughter*] The interest on our national debt alone is greater than the entire budget of many countries and simply not right for us to squander money that our grandchildren will be held accountable for. We must reverse the process.

As an important step in this direction, I am announcing the establishment of the Private Sector Survey on Cost Control in the Federal Government. This Presidential initiative will be conducted by outstanding experts from the private sector. They will report directly to me, and I've made it clear that in examining government efficiency, I expect them to roll up their sleeves and search out waste and inefficiency wherever it's to be found in the Federal establishment.

This is not going to be just another blue-ribbon, ornamental panel. We mean business, and we intend to get results. Members of the Survey will be responsible for an in-depth review of the entire executive branch of government. Working with the Inspectors General and the Council on Integrity and Efficiency, which have provided an inside look at how we can improve management of the executive branch, the Private Sector Survey will give us an objective, outsiders view on improving management and reducing Federal costs. Special emphasis will be placed on eliminating overlap, redtape, and duplication; identifying nonessential administrative activities; and increasing management effectiveness.

In a few days, I will announce the names of the distinguished Americans who'll serve as the Chairman and members of the executive committee of the Survey. All of them will be proven leaders in their fields. All of them will bring know-how and a no-nonsense, results-oriented approach to this crucial undertaking. And all of them will offer their services as unsalaried volunteers.

Our evaluation will begin with the Departments of Defense, Health and Human Services, and Housing and Urban Development. In turn, other departments and major agencies will be given a detailed evaluation. This will be the largest effort of its kind ever mounted to save tax dollars and improve the working of government. The American people deserve no less. It's their money the Government's spending in such oversized amounts—too often, unwisely and wastefully.

I will ask the Congress to cooperate in putting the recommendations of the Survey into practice. Government's grown too fast, and the economic stakes for the American people are too high for politics as usual on this vital issue. We all face an economic problem that has been building over many years, and we must all work together to correct it.

And now if you don't mind, I'm going to make a comment on the economy.

The Nation's Economy

A year ago, I went before the American people to say that we'd inherited the worst economic mess in half a century. Inflation and interest rates were both at towering levels, unemployment was far too high, and the economy seemed almost stagnant.

Since then, we have made progress on many fronts. Inflation, our number one enemy, came down by nearly 30 percent last year and is still falling. With the help of the Congress, we also began laying a foundation for sustained economic growth. With the help of the Congress, we're going to keep that up. But obviously, we aren't out of the woods yet. There will still be some difficult days ahead. But at least we're heading toward a clearing.

One of my major concerns today is high interest rates. They hurt everyone—people who must borrow, families who want to buy a new home, businesses struggling to get ahead. High interest rates present the greatest single threat today to a healthy, lasting recovery. The high level of current interest rates reflects two concerns in the financial community. Some fear that the Federal Reserve Board will revert to the inflationary monetary policies of the past. Others worry that this administration will tolerate ever-widening budget deficits.

Well, I want to make it clear today that neither this administration nor the Federal Reserve will allow a return to the fiscal and monetary policies of the past that have created the current conditions.

I have met with Chairman Volcker several times during the past year. We met again earlier this week. I have confidence in the announced policies of the Federal Reserve Board. The administration and the Federal Reserve can help bring inflation and interest rates down faster by working together than by working at cross purposes. This administration will always support the political independence of the Federal Reserve Board.

We also support the Federal Reserve's 1982 money growth targets, which are fully consistent with the administration's economic projections for the coming year. At the same time, I am sensitive to the need for a responsible fiscal policy to complement a firm, anti-inflationary monetary policy.

I will devote the resources of my Presidency to keeping deficits down over the next several years. I'm confident that by pursuing a prudent course of sound fiscal and monetary policies, inflation will continue to decline, interest rates will fall, and we'll once again enjoy sustained economic growth.

And now, Jim [Jim Gerstenzang, Associated Press], I can't think of anything else to say, so you can ask the first question.

El Salvador

Q. Thank you.

Mr. President, the Secretary of State has said that the United States will do whatever is necessary to head off a guerrilla victory in El Salvador and that the mood of the American people should not necessarily determine our course there. Do you agree with those statements, and under what conditions would you send combat troops to El

Salvador?

The President. Well, once again, Jim, we get into an area—there are all kinds of options—economic, political, security, and so forth—that can be used in situations of this kind. And as I've said so often, I just don't believe that you discuss those options or what you may or may not do in advance of doing any of those things—except that I will say, lest there be some misunderstanding, there are no plans to send American combat troops into action anyplace in the world.

Q. If I could follow that up. Can you just envision any circumstances under which we would be sending U.S. combat troops to El Salvador?

The President. Well, maybe if they dropped a bomb on the White House, I might get mad.

1983 Federal Budget

Q. Mr. President, your 1983 budget with its $90 billion deficit has received little support from Congress so far. Even your allies are urging you to raise taxes, postpone the tax cut, or to cut defense spending. Will you agree to any of those options? And if you will not, how can you expect to pass the package this year in Congress?

The President. Well, I'm hoping that some of them might soften their attitudes after they've been home for the Lincoln Day dinners and things and heard from the folks back home, because I think there's widespread support for continued cutting of government spending.

I think there's also pretty widespread support on the part of the people for restoring our ability to preserve our national security, which had been allowed to deteriorate so badly over the past few years. And I also believe that to abandon our tax policy now would be to give up the very fundamental thing that is required to expand our economy to create the jobs that we must have for the increased number of unemployed—and thus, by expanding the economy, to actually add to government's revenues, not by larger assessments on individuals, but by having a broader base and more people paying taxes.

So, I think that either one of those two, defense or the tax policy, we ourselves have agreed that there are areas in the tax structure—and I'd spoken of this before—where if, unintended by those who created the tax regulations and policies, there were those who were escaping a legitimate tax burden, they should pay—we're going to try to close some things of that kind. But we should have done that, and would do that, even without the need for more tax revenue, simply because it's right.

Lou [Lou Cannon, Washington Post]?

Nicaragua

Q. Mr. President, have you approved of covert activity to destabilize the present Government of Nicaragua?

The President. Well, no, we're supporting them. Oh, wait a minute, wait a minute. I'm sorry. I was thinking El Salvador, because of the previous—when you said that. Nicaragua. Here again, this is something upon which the national security interest—I will not comment.

But let me say something about all of Central America right now, and questions on that subject. Next week I will be addressing the Organization of American States on that entire subject, and therefore, I'll save any answers to any questions on that subject.

Q. If I could follow up, do you approve or reject—or do you care to state what your policy is as far as having American covert operations to destabilize any existing government without specific reference to Nicaragua?

The President. No, again I'm going to say this is like discussing the options. No comment on this.

Yes, George [George Skelton, Los Angeles Times].

El Salvador

Q. Mr. President, although you have no plans to send combat troops to El Salvador, plans can be developed quickly. I'd like to hear some expression of your commitment, if there is one, not to use American combat forces in El Salvador. And, again, just how far will your administration go to keep the Duarte government from falling?

The President. Well, George, your question again gets to that thing that I have always said I think has been wrong in the past, when our government has done it—and I will not do it—and that is to put down specific do's and don't's with regard to some situation that deals with not only security matters but even such things as trying to influence a situation such as the one in Poland. I think that to do so is just giving away things that reduce your leverage.

Judy [Judy Woodruff, NBC News]?

Economic Recovery

Q. Mr. President, This is on another subject. How certain are you that the economy is going to begin to turn around by the end of the spring, the beginning of the summer? Or do you believe, as your budget director, David Stockman, said in testimony yesterday, that it may be late summer or early fall?

The President. Well, I'm not going to pick any particular month or anything and then find myself having to be held to that. Many figures are very volatile when you're coming out of a recession or bottoming out in a recession—first of all, volatile enough that I think all of us were caught by surprise by the recession.

I do believe that we have a program in place, that there are indices already that give reason to believe that things are going to get better. For example, in December and January the increase in permits for building houses have gone up. There was a six-tenths of a percent rise in a group of the economic indicators, and that was the first rise after quite a long period of decline. The inflation rate, which is well below what we thought it was going to be—I'm just going to tell you that I believe in these months ahead in the coming year, I think we're going to see the recession bottomed out, and we're going to see interest rates begin to fall, a return to normal—beginning of a return to normalcy, the beginning signs of recovery.

Q. This is a short followup—but you're not certain that it will happen by the end of this spring.

The President. I'm just not going to be pinned down on a date.

You know, I remember the last time. I didn't seem to look this way very much. Yes.

Interest Rates

Q. Mr. President, you just spoke about cooperation between your administration and the Fed to get interest rates down. In fact, yesterday there was an increase in interest rates. What concrete actions are you going to take or do you plan to take, and when, to accomplish the lowering of interest rates? And will we ever see single-digit interest rates again?

The President. Yes, I'm positive we will. But inflation is one of the causes of interest rates going up, and anyone who's lending money has to compensate in the interest he charges for the depreciated value over the period of time of that money, based on the inflation rate. So, as we continue to reduce inflation, we will be working toward bringing down interest rates. And the other things are—just the general improvement in the economy is going to contribute to that.

Q. Mr. President?

The President. Sarah [Sarah McClendon, McClendon News Service]?

B. Sam Hart

Q. Sir, you recently named a man from Philadelphia, a fundamentalist preacher, to the Civil Rights Commission, and he says that he's against certain civil rights legislation, against equal rights for women. I wonder if you knew this when you named him, because your people who name people, in the appointment section, did not notify the Pennsylvania Senator Heinz that he was from Pennsylvania, nor did they notify him of his views. So, now you're blocked in the Senate committee from getting this confirmation.

Don't you think you should take a look? You've had a hard time with appointments. Don't you think you ought to take another look at your appointment section?

The President. No, Sarah, I think they've done a good job. And he is not against equal rights; he specifically stated that he is for equal rights for women. He just happens to be opposed to the ERA as a method of getting them. Well, I happen to have that same position that I——

Q. Well, sir, but you've said that you were for equal rights for women. You were just not for the amendment.

The President. Well, that's what he said.

Q. Well, I didn't understand that. And I also know that he's against certain civil rights legislation.

The President. No, he has expressed his belief that busing is not a proper method of bringing about desegregation of schools, and of course, I think there he has, according to all the polls, quite a majority of both the minority communities and the white community in support of that. But he has also, at the same time, expressed his belief that through more attention to housing, more attention to breaking down school district boundaries that tend to segregate schools, that we could desegregate more by mixing the society better as a whole.

I am quite confident in his quality and his ability for that job and sorry that the Senator didn't hear about it until you'd all broadcast the information.

Yeah, Gary [Gary Schuster, Detroit News].

1983 Federal Budget

Q. Mr. President, can we go back to your dealings with Congress on the budget?

Coming out of the White House after meeting with you recently, Congressman Michel, Senator Baker, Senator Laxalt gave the indication that you were in some kind of position going to deal or compromise with Congress on some things. Yesterday, budget director Stockman seemed to suggest the same kind of thing—that you might not go for a 30 billion cut in defense, but you might go for 10—and some dealings with the tax cuts, especially the business portion of the tax cuts. Are you willing to compromise at all? Your history as Governor and last year on the budget seems to be compromise. Are you going to compromise? Are you willing to?

The President. Well, I have told them that with regard to the place where we're suggesting cuts, I'd like to hear some, so far—and I think this was what Dave Stockman was addressing himself to, Gary. Dave said that so far all we've heard from the opponents of what we submitted—diatribe and opposition and criticism. And he said, "Come up with some specific suggestions; suggest something, and we'll take a look at it."

But we did work long months, very hard on that budget. We think that we have thought pretty much of all the things that had to be considered. And this was what he was trying to say. And if someone can present something that looks reasonable and that will meet the fundamental objectives, which is to continue reducing the cost of government—but we cannot back away on national defense without sending a message to the world, to our allies, as well as our potential adversaries that would be very unwise.

And as I've said before, on the tax program that was adopted by the Congress, the last year out, I think it would be very foolish of us now to turn around and express a lack of confidence in that and say, "Well, let's go in another direction." I think that tax policy is going to be the strongest thing we have toward restoring productivity and improving the economy.

Now, Lesley [Lesley Stahl, CBS News], you were——

U.S. Foreign Covert Operations

Q. Thank you, Mr. President. I'm sorry, but I'd like to go back to Latin America and El Salvador for a minute.

In the 1960's the CIA came up with a secret plan to get us involved in Vietnam in a surreptitious, covert manner. Is it possible that you can tell us that there is no secret plan now devised by the CIA or any other agency in government to surreptitiously involve Americans in similar activities in Latin America? And can you also assure the American people that we will not go in there secretly without you and this Government giving us some pre-warning?

The President. Well, Lesley, you know there's a law by which things of this kind have to be cleared with congressional committees before anything is done.

But again, if I may point to something—I'm not in total agreement with the premise about Vietnam. If I recall correctly, when France gave up Indochina as a colony, the leading nations of the world met in Geneva with regard to helping those colonies become independent nations. And since North and South Vietnam had been, previous to colonization, two separate countries, provisions were made that these two countries could, by a vote of all their people together, decide whether they wanted to be one country or not.

And there wasn't anything surreptitious about it, that when Ho Chi Minh refused to participate in such an election—and there was provision that people of both countries could cross the border and live in the other country if they wanted to. And when they began leaving by the thousands and thousands from North Vietnam to live in South Vietnam, Ho Chi Minh closed the border and again violated that part of the agreement.

And openly, our country sent military advisers there to help a country which had been a colony have such things as a national security force, an army, you might say, or a military to defend itself. And they were doing this, if I recall correctly, also in civilian clothes, no weapons, until they began being blown up where they lived and walking down the street by people riding by on bicycles and throwing pipe-bombs at them. And then they were permitted to carry sidearms or wear uniforms.

But it was totally a program until John F. Kennedy—when these attacks and forays became so great that John F. Kennedy authorized the sending in of a division of Marines. And that was the first move toward combat troops in Vietnam.

So, I don't think there's any parallel there between covert activities or anything——

Q. Will you tell me that there will not be secret plan that you will not tell the American people about?

The President. I can't answer your question for the same reason that I couldn't answer George's. I just can't answer on that.

There's a lady in the very back row.

Agriculture

Q. Mr. President, we hear of decline of the housing and the automotive industry almost daily. But we don't hear much about the problems in the agricultural sector, which has been in the worst straits it's been in since the depression of 50 years ago.

Forty-two Congressmen have asked for a meeting with you to discuss the farm problems, and they've just been notified that you don't have time on your schedule to see them. Also, do you support the market-oriented agricultural policy that your Secretary of Agriculture supports, and would you consider a grain embargo if the situation in Poland or elsewhere gets worse?

The President. I have repeatedly said that the only way I would consider a grain embargo would be as a part of an across-the-board embargo, that we will not again make what I thought was a mistake earlier and penalize one sector of our industry, the farmers, by just using that as an embargo item. So, we will not do that.

I don't know what the schedule problems are, and I can't believe that they permanently turned those gentlemen down. Maybe they couldn't okay the meeting at the time they wanted it.

But I am very sympathetic to the agricultural industry, because I don't know of any industry that's been harder hit by the cost-price squeeze than the American farmer. And we're doing everything we can to stimulate foreign markets for them.

We have just recently had some good news from one of our trading partners, Japan, which has had a different set of rules with regard to import and has not abided by our own certification of agricultural products. And they have agreed now to accept our own Department of Agriculture's certification.

So, we are making some progress in trying to help. But you're right about this. They are in a bad way and have been for some time.

All right.

Economic Recovery

Q. Mr. President, I know you say that you're not going to be pinned down to a date as to when economic recovery will begin, but the fact is that you and your economic spokesmen have been saying for some time that the recovery would occur by late spring, and that it would be brisk, that it would be a substantial recovery.

Now, do you want us to leave this room with just your statement saying that "I believe in the months ahead and in the coming year we'll see the recession bottom out"? Doesn't that indiciate that you and your economic advisers have less confidence now than you did just a month ago in the prospects for an early and brisk recovery?

The President. No, there's been no change in our position about the economy. We're simply trying to be—and I'll coin a phrase here I've never used before: "cautiously optimistic." We think this is far better with the—sometimes the overblown—or exaggerations that come with remarks that come out—that we would rather err on the side of caution than err on the side of too much optimism.

But we do believe that the indicators are there, that the program is in place. And remember, when I say the program is in place, this is, of course, depending on Congress to give us what we're asking for now in continued reduction in government spending, or they can themselves set back the recovery.

Yes?

Export Policy

Q. Mr. President, *muchas gracias.*

The Center for Export Information has researched that Hispanic minority business enterprise is ready to launch a national crusade for export expansion. I wonder if do you believe this is a good idea, in order to create thousands of jobs for our unemployed. And I wonder if you want to use your persuasion and constructive and dynamic leadership in order to increase and to carry out a more aggressive export policy, and if you can assure me that the people who support you are not going to be accused of supporting—[*inaudible*]—economy.

The President. I think you'll find next week in that address that I make to the Organization of American States that there will be some answers to your questions with regard to not only the export but the economy, particularly where it involves our American Hispanics—not only those in our own country but in our neighboring countries here.

NATO and France

Q. Mr. President, it has been leaked, I am sorry to say, that you are going to Europe, you will attend a NATO meeting, and that some major initiatives will be taken by you. Could you please tell me, would you be considering reinviting France to join NATO, especially in view that Spain is joining NATO this spring and would increase the strength of NATO and unify Western Europe?

The President. Well, I don't know the agenda for the meeting. France has continued to work with the Alliance in every way except with regard to its own security and military situation.

I would be happy to discuss that with President Mitterrand at any time that he wanted to, but I don't have any plans for urging them to change what so far has been their present policy.

Yes.

Q. Mr. President——

The President. No—that crooked finger again. There. [*Laughter*]

Soviet Arms in Cuba

Q. Does the United States have solid evidence of increased movement in arms from Russia, through Cuba, to Nicaragua and other places in Central America? If so, what will you do about it?

The President. We're convinced by the evidence that the arms that are flowing into Nicaragua are coming by way of Cuba, their connection with the Soviet government. They have shipped in a greater tonnage of arms this last year than they have at any time since the Cuban missile crisis. And we know that the Nicaraguan army is of tremendous size, beyond anything that they might need for possible defense.

But again I will not go beyond that, because, again, next week—and Bill [Bill Plante, CBS News], I didn't call you by name, because I though that you both might have the same name, and then I'd be in trouble.

Q. I'd like to just follow that question. The understanding that was reached in 1962 between President Kennedy and Khrushchev that ended the Cuban missile crisis provided that the Russians would not in the future introduce offensive weapons into Cuba. Some of the weapons recently introduced, like MIG's, may classify as offensive weapons. Do you believe that the Soviets in Cuba are abiding by the understanding not to bring in offensive weapons?

The President. Again, you're talking on a subject that is under review and discussion right now in our administration, and I would rather not answer that question now.

Q. Mr. President.

The President. Wait a minute, let me get back over here.

Birth Control

Q. Since there are 6,000 17-year-olds in the Navy and Marine Corps, as their Commander in Chief how will you implement the Schweiker contraceptive policy—[*laughter*]—that Larry Speakes said was your policy. This is the policy that says that all those under 18 who obtain contraceptives through a federally financed clinic will be reported to their parents within 10 days. Will ship's captains have this responsibility or the medics? [*Laughter*]

The President. I'm happy to say that I would be delighted to turn that over to Cap Weinberger—[*laughter*]—and the Secretary of Health and Human Services.

Q. His spokesman was left aghast at the question, Mr. President. He doesn't know.

The President. Well, suppose we leave the two of them to get together on that problem. [*Laughter*] But I will answer seriously your question on the other.

I vetoed a bill that was contrary to what I believe while I was Governor of California, and that is for those who believe that the government is interfering in the private lives of the young people by making such a requirement. Those young people couldn't get their appendix taken out without their parents' permission, a number of other things in which the parents have—I think the government has no business injecting itself between parent and child in a family relationship where it is very definitely a problem of concern to parents who are responsible for the children.

Q. On the Middle East, Mr. President, please?

Q. Mr. President?

The President. That Middle East, here.

The Middle East

Q. Thank you.

Do you plan to offer for sale the Hawk missiles and the F–16 fighter planes to Jordan? And, if so, what additional offers will you make to Israel to counter this sale?

The President. Contrary to what was portrayed and widely heralded in these last few weeks, Secretary Weinberger came back without any request having been voiced for any of those weapons. So, there's no definite plan. If there's a request—comes, we'll treat with it.

But, again, I have reassured Prime Minister Begin, because of the overblown way in which the whole two tours of the Secretary and Secretary of State—they coordinated their activities. They were in communication with each other on those trips; there is no difference in policy between them. And I reassured Prime Minister Begin that there is no change in our approach toward Israel and our dedication to the welfare of Israel.

Q. To follow up——

Q. I wanted to follow up, too, if I may. Isn't there any effective way that you have to counter this continuing buildup of arms in the Middle East?

The President. Yes, and that is to continue the policy we're following, which is to try and carry on where Camp David left off and bring about a peace in the Middle East. And then the only basis for armaments in all of them would be against the external threat that could be posed by someone such as the Soviet Union. So, this is what we're trying to do in our Middle East policy is to try to persuade, particularly the more moderate Arab states, to join in the peacemaking process with Israel and to accept Israel's right to be a nation.

Yes, Sam [Sam Donaldson, ABC News].

Poland

Q. Sir, there's another due date coming for the interest payments on Poland's loans to the West. Last month, your government bailed Poland out by paying interest payments to Western banks. Are you going to do it again?

The President. I don't know what the situation will be or what our move will be, but we didn't bail Poland out in doing that. We retained our leverage, because default would mean great financial hardship for a great many people and a great many institutions here in the West. Default literally is like bankruptcy, and they're absolved of their debts. And we felt that in this way, we could hold that back to where if that becomes a useful alternative, we can make use of it. But the default as it stands right now, we believe, would simply throw Poland more dependent on the Soviet Union, and we would rather not have that happen.

Q. So you'll probably pay it again, sir?

The President. What?

Q. You will probably pay it again?

The President. As I said, we haven't made a decision on that.

There's a gentleman back there who said he had a followup on those other questions.

The Middle East

Q. Again on the Middle East. Do you think that Secretary Weinberger accurately represented American interests when he was in Jordan? That's one question. The other question is, what would you answer to a Saudi senior official who said that the United States is nothing but an arms supplier; it's only a purchase relationship between the United States and Saudi Arabia, but not a strategic relationship?

The President. Well, I don't know who the Saudi person was, and we aren't just an arms supplier. And I have no way to knowing what was in his mind when he said that, if he said it.

Yes, I believe that Secretary Weinberger was representing the United States in his visit to Jordan. But I don't believe that it was correctly portrayed in some of the stories about that trip. This is what I meant by exaggeration, being overblown.

Yes?

Loans for Education

Q. Mr. President, many young people are facing the prospect that when they plan for college next year, they will have a harder time with finances because of some of the spending cuts that include the student loan and student aid programs. And the universities now are also beginning to say that they're having more of a financial squeeze. What apprehension do you have about that condition for many young people who are not either very rich or very poor, who will find their opportunities limited and the long-range impact on American education because of this?

The President. The amount of money that is in the budget for '83 for all the human and social affairs is $382 billion. That is a 4½-percent increase over the 1982 budget. Previously, that part of the budget has been increasing at a rate of about 16 percent a year, and we have reduced that amount of increase. But we have not reduced the budget back.

Now, there are some specific programs that may be of a different size than others. But the overall spending is the same. One of the things having to do with college loans was the knowledge that in the administering of that program, it had become so loose that we had people borrowing money simply because, for a college loan, because they could then reinvest that money at the current high interest rates and make a profit on the money that was sending their son or daughter to college. We don't think that was what was intended in the program.

I don't believe that there are going to be any cuts that's going to effect students with true need, who really must have that kind of help in order to go to college.

Mr. Gerstenzang. Thank you.

The President. Yes, Bruce [Bruce Drake, New York Daily News]—oh, all right.

Examples of Welfare Abuse

Q. Mr. President, when you met the other week with Tip O'Neill, you defended your budget cuts in part by citing abuses, such as the case of the New York neighborhood where children of parents making $75,000 a year were getting free school lunches. I wonder whether you think examples such as those fairly represent the majority of people who are getting their benefits cut in programs such as this. And, secondly, I was wondering whether you could tell us where you got that example.

The President. I got that example from someone that lived in that particular school district and said that, and I simply recounted it as having been told to me by someone.

You don't really—and Jim has said, "Thank you"—but you don't really want to get into all those mistakes you said that I made the last time, do you? Because I'd like you to know that documentation proves the score was five to one in my favor. [*Laughter*] I was right on five of them, and—[*displaying a document*]—I have the documentation with me. [*Laughter*]

In Pima County, Arizona, they did save all that money on the food program. In fact, we confirmed it by phone and had them tell us that word for word I was accurate. And then they did say that someone from your side of the auditorium, someone had contacted them also and spent an hour but was resisting any answer that would not prove I was wrong.

Q. Mr. President, could you tell us whether these examples which you often use in talking about the budget cuts, whether you feel they represent—they fairly represent the cases of a majority of people who are getting cut from these programs? And since you mentioned the source of it, could you tell us what school district it was?

The President. I know that it was up in New York someplace. I couldn't remember that by now.

But, no, I don't claim those are the majority. I claim—and from my own experience in California, in redressing welfare and in having task forces of the kind that I just announced today, that contributed billions of dollars in savings to the State government with their findings—that we found that many of these programs do drift into a pattern. I will give you an example from the present budget.

We have reduced or eliminated the CETA job-training program, which was $3.2 billion in 1982, and replaced it with a training program that only costs 1.8 billion. Now, that sounds like a terrible thing in this time of great unemployment but in the previous program we found only 592 million of the 3.2 billion was going for actual training. In the 1.8 billion of our new program, 1.35 billion will actually go for training. These are the type of things that we're trying to correct.

We do know that in any one of these—it's what Milton Friedman once said, that if you start paying people to be poor, you're going to have a lot of poor people. And we want to help people that are poor but help them get to the place that they can take care of themselves.

I have said all along that our government programs for welfare of all kinds were created with the noblest of intentions, but there's something wrong when after decades and decades we keep increasing the number of people dependent on them. If those programs were truly successful, they would be removing people from government dependency and making them self-sustaining. And that's what we're trying to do with the programs that we're reforming.

And now I can't take any more, because Jim told me thanks.

Note: The President's eighth news conference began at 2:02 p.m. in the East Room at the White House. It was broadcast live on nationwide radio and television.

Proclamation 4899—Red Cross Month, 1982

February 18, 1982

By the President of the United States of America

A Proclamation

The Red Cross provides help to the destitute, the suffering, and the distressed and, in so doing, nourishes those basic attitudes and values essential to mankind's survival.

For 101 years the American Red Cross has provided a humanitarian banner under which men and women of goodwill unite. By joining and serving, each American can become a "Good Neighbor."

As our Nation looks increasingly to the dynamic forces of the private sector to address the problems of our communities, the

Red Cross' role of channeling and coordinating volunteer efforts into productive activities will grow. Recognizing its expanding responsibilities, the Red Cross has recently undertaken an ambitious, ten-year program to help improve the health of every American. This program is based on the simple concept that individuals play the principal role in reducing major health risks to themselves.

Through membership in the Red Cross, we can reach out to the world, to our country, and to our community—not only to help those in adversity but also to arm ourselves and others with information to deal effectively in matters of health and safety. Moreover, we can help the Red Cross fulfill its traditional responsibility of providing essential communication, welfare, and educational services to members of our Armed Forces in time of peace or war.

Although chartered by Congress to perform specific duties, the Red Cross relies upon the time and funds of each of us to carry out its work. I urge the American people to assist our Red Cross by giving financial aid and volunteering their time so that, as the 1982 Red Cross theme says, "Together We Can Change Things."

Now, Therefore, I, Ronald Reagan, President of the United States of America and Honorary Chairman of the American National Red Cross, do hereby designate March 1982 as Red Cross Month.

In Witness Whereof, I have hereunto set my hand this eighteenth day of Feb., in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 4:05 p.m., February 18, 1982*]

Remarks at a White House Dinner Honoring the Chiefs of Diplomatic Missions

February 18, 1982

President Reagan. Mr. Ambassador, Mrs. Dobrynin, Your Excellencies, ladies and gentlemen:

Napoleon is quoted as having instructed one of his ambassadors in the art of diplomacy by saying, "Keep a good table and look after the ladies." [*Laughter*]

Well, tonight it's been our honor to set a table for you and indeed a pleasure to entertain so many charming and beautiful ladies. Nancy and I are delighted to welcome you here as friends—more as friends than as representatives of our countries, more for passing a pleasant evening than for transacting business.

In an era of instant communication, the diplomatic job becomes even more important. And those manners, customs, and standards of behavior, synonymous with diplomacy, become indispensable tools for keeping the peace. All the world relies on maintaining the ethics and standards of their profession. Certainly, each of us strives uncompromisingly to represent the interest of our countries, which is as it should be. Yet, at the same time, we're mindful that it is our actions that will determine the future of mankind. This dual personality—or responsibility, I should say—is a heavy weight. Even so, we must never lose touch with those human qualities that reaffirm that the affairs of state are ultimately relationships between people.

One of my predecessors, John Quincy Adams, who was also a fine Secretary of State, once pointed out, "In the intercourse between nations, temper is a missionary perhaps more powerful than talent. Nothing was ever lost by kind treatment." So tonight as we socialize together—now, that term should not be taken economically, of course—[*laughter*]—as we get to know each other, let us be mindful that diplomacy is a cherished institution that permits such fraternal interaction.

Americans, perhaps because of our own cultural and racial variety, believe that beneath the world's diversity most people have similar goals. They look for dignity, freedom, peace, and a chance to prosper. These common dreams and aspirations can serve as our strength.

At the diplomatic dinner last week, I recalled Antilles, the character in Greek mythology who drew his power from touching the Earth. So long as he touched the Earth, he could not be defeated. But when he lost touch, he grew frail. Well, similarly, as long as we stay in touch with the hopes and honest desires of our people, the prospects for world peace will be strong.

Looking around this room tonight gives reason for optimism. We represent a panoply of languages, cultures, religions, and traditions. Yet the civility and cordiality between us is not only possible, it is expected. Yes, problems exist. But this dinner is not a microcosm of mankind's problems; it is, instead, a sample of the opportunities we have to communicate on a personal level and cooperate as representatives of our independent nations. Lest some cynic suggest that cooperation does not extend beyond party-going, let us point to our commitment to maintain the diplomatic tradition which we celebrate.

In recent years, this tradition has come under increasing attack from terrorists who seek to strike at governments through their diplomatic respresentatives. In the last 15 years, diplomats from over 100 countries have been victims of terrorist attacks. Fortunately, most have survived these attacks; a few, tragically, have not. Those who perpetrate these cowardly acts should never doubt that every nation considers an attack on any diplomat a crime against mankind which will not be tolerated in any land.

Reflecting on this, we're grateful to the diplomatic community for your courage and perseverance. So, since there is no one of us that will be toasted separately, I ask you now to raise your glasses with me in a toast in honor of the Washington chiefs of mission. May mankind profit by what we do.

Ambassador Dobrynin. Mr. President, Mrs. Reagan, ladies and gentlemen:

On behalf of my colleagues, members of Washington's diplomatic corps, it is my real pleasure and also a privilege to thank you, Mr. President, and you, Mrs. Reagan, for this wonderful dinner at the White House.

I must admit, Mr. President, that dining, lunching, and entertaining is an important part of our profession, but this excellent evening, so rich with the graciousness of the hosts and their elegant and warm hospitality makes it a memorable occasion for all of us. It gives me a most pleasant opportunity to extend our warm greetings to the First Lady of this country, who makes this evening so enjoyable a one. And I should say, this is one of the privileges to be with you—to be seated next to the First Lady. [*Laughter*] So, it was worthwhile to me to stay for 20 years in this country to have this opportunity. [*Laughter*]

Mrs. Reagan has been standing beside her husband through many years and now, as is well known, gives much of her heart, spirit, and support to the President after his journey from the Pacific, California, to the shores of the Potomac River. And this change of residence, we understand, does not make your life, Mr. President, easier at all.

To my memory, this is the first time that the President hosts such a special dinner for the diplomatic corps at the White House—if I'm not mistaken, from President Eisenhower.

There is a widespread and not exactly correct legend, as you may know, Mr. President, that diplomats are pin-striped party-goers whose days—and even nights—are mostly spent on consuming caviar under the clinking sounds of crystal glasses. But the real story is that diplomats lead a difficult and laborious life. They feed on a mixed salad of often unreliable pieces of news, so-called "leaks"—[*laughter*]—and important, but not nutritious rumors which they find on the local information markets. [*Laughter*] The trouble is that they have to try it all before finding an edible or final truth. And of course, American politics, which sometimes is quite a riddle for the foreigners, doesn't make our life easier, especially answering our own governments' persistent question: "What's going on in this country?" [*Laughter*] So, any help from you, Mr. President, is always a welcome relief for us. [*Laughter*] That is why a dinner at the White House has a special importance to us.

In a way, to all of my colleagues here, ambassadors present here tonight, this is a kind, if you would like, of summit meeting, which we so cherish in our professional activities. I can confess to you, Mr. President, that after today's dinner, international communication channels will be overcrowded with the messages sent abroad from Washington embassies. [*Laughter*] It is quite possible that practically each diplomatic cable, I could presume, will start with the proud words: "Tonight, I, the Ambassador, had a very interesting conversation, personally, with the President"—[*laughter*]—"very interesting, prolonged conversation, personally with the President. And he told me so and so." [*Laughter*] And this I will leave at the discretion of each ambassador—what he was told. [*Laughter*]

And I may assure you, Mr. President, that each ambassador will try to present this conversation in the best possible way. After all, how could any ambassador miss this opportunity of the year. This kind of meeting is an excellent practice which we would all like to be continued. We are ready to spend any time with you, Mr. President—[*laughter*]—and at any place of your convenience—the White House, Camp David, or even your ranch in California. [*Laughter*] On our part, we would be happy to welcome you and Mrs. Reagan to our embassies any time—for dinner, for lunch, or even for breakfast—[*laughter*]—if it is, of course, not too early.

Present here tonight is the second part of our diplomatic corps, and I hope, Mr. President, that you like it as well as the first one. Your Chief of Protocol has assured me that the two parts are equal, selected on the basis of complete balance and parity, and neither of the parts can claim any superiority over the others. [*Laughter*]

I'm sorry I missed the first dinner, since I was out of the country. While in Moscow, I received the word about your speech, Mr. President, made on that occasion, and you repeated some parts of this today. And I can say, on behalf of all my colleagues, that we completely welcome your commitment to the security of diplomats and share your statement that, and I quote, "an attack on any diplomat is a crime against mankind." This is also the policy of our governments and gives us an additional feeling of security. After all, our profession becomes rather dangerous nowadays.

The Washington Diplomatic Corps represents all the continents of the globe, different races and different cultures. We brought here our own ideals and philosophies. We came here to maintain and, if possible, to improve relations between the United States and our countries, to explain as much as possible, the basic and current policies of our governments to the United States leaders and the American people, and to try to understand politics and policies of this country.

We all believe that there is one goal we share, and that is to preserve peace as the most important thing in the troubled world today. Diplomacy should play a leading role in achieving this noble goal, and we know that your Secretary of State, Mr. Haig, fully shares this view.

Mr. President, you may count on us, ambassadors, that we are all ready to work together in promoting international peace and cooperation between the United States and the countries we represent.

May I propose a toast to the health of our hosts, the President and Mrs. Reagan. We would also like to warmly congratulate you, Mr. President, and you, Mrs. Reagan, with your thirtieth wedding anniversary, which comes in several days. A lot of personal happiness to you and to your family.

Note: The President spoke at approximately 9:50 p.m. in the East Room at the White House at the second of two dinners honoring the chiefs of diplomatic missions. Anatoly F. Dobrynin is the Soviet Ambassador to the United States and dean of the diplomatic corps.

Message to the Congress Reporting a Budget Rescission
February 19, 1982

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report a revision to a rescission proposal previously reported decreasing the amount proposed for rescission by $2.0 million.

The amended rescission proposal affects the Mine Safety and Health Administration of the Department of Labor.

The details of the revised rescission proposal are contained in the attached report.

RONALD REAGAN

The White House,
February 19, 1982.

Note: The attachment detailing the proposed rescission is printed in the Federal Register *of February 24, 1982.*

Remarks and a Question-and-Answer Session on the Program for Economic Recovery With Newspaper Editors and Radio and Television Directors
February 19, 1982

The President. Well, ladies and gentlemen, this is just a typical day in Washington. We're already behind schedule. But first may I welcome all of you here to the White House.

I'm delighted to have this opportunity to talk to you, and I know that you have been briefed extensively by our people, which gives me the terrible feeling that almost anything I might say would be replowing already plowed ground. I don't want to do that. I would just like to say a few words—continue a discussion we've been having here at the table about our economic recovery program, which I know has been the subject of a great deal of briefing. And there is much speculation as to whether that continues or what we do with it or whether it should be altered in some way.

Well, I happen to feel that the program has not really had an opportunity. It didn't go into effect until October 1st. It's only been in effect a few months. But the real stimulus to the economy, the parts in the tax program that we believe are going to lead to increased productivity and an economic recovery, will come along—well, the first one not until July and then the next one in the following year.

I am determined that this program offers us the best opportunity for coming out of this recession, for eventually balancing the budget—not as quickly as we'd hoped it would be balanced, but then the recession came along and as you know with every one percentage point of added unemployment, you add $25 to $27 billion to the deficit.

So, the program that we have, as you've probably already been told but—then, so I'll repeat it. The program is based on the idea that government has been spending and taking too much of a percentage of the gross national product for itself. Government has been a restraint on the economy. Savings on the part of private individuals in America has been at the lowest of any of the industrial States. The result is we haven't had the capital pool necessary to fund the deficit spending by government and make capital available for home mortgages, for business investment, and so forth. Well, just since October and our program has gone into effect, there has been a decided increase in private savings.

So, may I point out that even with the deficits now larger than we'd expected and hanging over us, the fact is that our plan calls for reducing the deficits as time goes on until we get to the place that government is within its spending revenues. But there is hope on the scene of capital, because not only is part of our tax plan aimed at providing through tax incentives some of the capital business and industry needs for expansion and modernization, but the savings, the increase in private savings, one percentage point of that increase adds $20 billion to the available capital for investment in this country. Two percent is $40 billion. And therefore, we believe that our continued request for cutting in spending is justified.

We are not cutting below what we've been. Maybe the trouble has been our own as much as anyone else referring to this as "budget cuts." These are cuts in the increase in the budget. Next year the 1983 budget will have reduced the cutting—or the increase, I should say, in social spending, welfare spending, the human problems outside of defense; it will still be an increase of 4½ percent in that budget. But it has been increasing over the years at a rate of 15 percent a year, and there's no way we could afford that.

Now, some programs, if you go individually by programs, say, "Well, what about this?" For example, it must look very startling in this time of unemployment to see that we're eliminating a CETA employment training program that was funded at $3.2 billion. And we are going to reduce that to a training program we won't call CETA that only calls for $1.8 billion. But out of the $3.2 billion, only $592 million was actually devoted to job training. Out of our $1.8 billion, $1.35 billion will be directly spent on job training. And we could come up with more cases of that kind, in which we're trying to get these programs back to their original intent. We don't believe that it is proper to provide free lunches for people who are above an earnings level in which they can well afford to provide the lunch for themselves. So, we're not cutting the needy. We're spending twice as much on the elderly as we were spending as recently as 1978.

I will say one word, if I may, about the defense spending, which is the other target. Either raise taxes—and if we do that, we destroy the incentive that will restore our economy—but we'll cut it out of defense spending.

I'm sure you all must know something that I thought I understood before I came here, but now it's been confirmed that there are things that, in this job—there is information that you have that probably you're the only person, plus a few immediately around you who have that information. I have to tell you that I am as firm in my conviction that the very safety of this nation requires that we go forward with the defense spending program as we've laid it out. The difference in potential and what the Soviet Union has built up to in the rate at which it is increasing, building is going to leave us still a number of years before we even begin to close the window of vulnerability that has been opened between us and the Soviet Union. So, if it will encourage any, though, you might be interested in knowing that the bulk of the defense spending is for manpower, for maintenance, and for readiness. And if we eliminated all the major weapon programs that are scheduled, it would only reduce next year's deficit by $6½ billion, and it would at the same time send a message to the world that we were unilaterally disarming. So, we don't think we're going to do that.

Now, incidentally, George Washington once, when he held this job, was faced with the Continental Congress trying to pass a bill that would limit the standing army of the United States to 5,000. And Washington said, "Well, wouldn't it make more sense if we passed a law that said any invader would have to limit his force to 3,000?" [*Laughter*] I think either one was as practical as the other, but I'm not going to go on talking here. I'm sure there must be things that maybe you—yes.

Central America

Q. Mr. President, some of us just got back from El Salvador, where we were told by Argentinian citizens that members of their army are over with—under CIA aegis and funding—in Honduras training anti-Nicaraguan individuals to harass the government there and the supply lines from Cuba to the rebels in El Salvador. I realize that, you know, this is pretty touchy stuff, but many questions and many reports from the Washington Post had mentioned these reports. I wonder if you couldn't give us a little more elucidation on what you're doing there. And isn't it involving a much wider war when you bring in not only Nicaragua and El Salvador but now Honduras?

The President. You're right, it's a very touchy subject. I'm going to plead what I did in the press conference yesterday. I'm going to be making a speech on the whole Latin American affair to the Organization of American States next week, and therefore I'm going to reserve any comments that I might make with regard to our neighbors to the south until that address.

Nuclear Powerplants

Q. Mr. President, I'm from Harrisburg, Pennsylvania. We in central Pennsylvania are still feeling the aftereffects of our nuclear accident on Three Mile Island. On May 18th the voters of central Pennsylvania will have a nonbinding referendum on whether to restart the undamaged reactor, even while the damaged one has not yet been cleaned up. My question, sir, is, do you have any feelings for or against these referendums? Would a decisive vote in either direction help shape your administration's future policy on nuclear power? And do you feel that a damaged reactor should be cleaned up before a nondamaged one is started again?

The President. I would only have to say, first of all, I do believe in nuclear power, and I think the antinuclear forces in this country are basing their views on a lack of information. I'm not going to say they're ignorant; it's just that they know so many things that aren't true. But I believe in it, and I believe that it is going to be essential to this country and to the world to develop it.

But I must say there, I'm not qualified to answer that question. I'd have to look for the answer to that to others with regard to the damaged reactor and whether there is any complication in starting the others, because I do believe this: We have a profound responsibility that, as we go forward with nuclear power, we must do it on the basis of every precaution for safety that can possibly be taken.

Q. Mr. President, if I may follow, sir, you do not, then, worry about the local referendum for that?

The President. Again, I don't think it's possible in such a referendum. I believe in democracy, and I believe in the people's right to vote and have defended it very much. But I don't believe that an issue of this kind, that they can have the information that is necessary to make that decision.

Unemployment

Q. Mr. President, I'm from Buffalo, New York, sir, and I'd like to ask you what do you say to—on the economic program now—what do you say to the autoworker or the steelworker in our area who, 10, 15 years, and, in some case 18 years seniority, who have been told that not only are they laid off but they may never have a job waiting for them again in the auto plant or the steel mills?

The President. Well, again, I think that the plan has to be to go forward to try and restore this economy. At the same time, we have been doing everything we can to help two industries that have really triggered the recession—housing and the automobile industry. And both of those, I think, have been mainly affected by the interest rates, because both are installment-buying—you might say—industries.

The interest rates have come down. They fluctuate a little bit as we're beginning to bottom out in this recession. I think they're going to come down further in the next several months. This has to be the target and we're going to work very closely.

We approve of the level of increasing the money supply the Fed is aiming at now. We think, in the past, what we've had is not a level that was either too high or too low, it was a roller coaster. It was either up here or down there in past years. In the last 6 months of 1980, we had the greatest increase in the money supply in those last 6 months that we've had in the history of the Fed—13 percent. And with that came 21½-percent interest rates and double-digit inflation for the third year, around 14 percent. Now we have inflation down to single digit, and the interest rates, as I say, have shown that they're beginning—they're going to be a little volatile here and there, but I think they're coming down.

At the same time, we have been doing everything we can with regard to what we think is some unfairness in the foreign competition that has also affected the automobile industry.

But I think the main point is to get this economy back on its feet. Unfortunately, unemployment is the last thing that recovers when you're coming out of a recession. That's the longest term thing.

We have extended money now for help to those who are unemployed. But, again, as I say, it's concentrated in about 10 States where they really have—and those are the States—it's very curious when you look at a map. The two States up there in the Northwest, the lumber States—they are with the exceptionally high unemployment. And then you go over here to where the automobiles and the steel industry and so forth, and they are the high. But we're going to do everything we can to ease that situation.

Screen Actors Guild

Q. Mr. President, you have spoken often and with some great deal of pride about your years as president of the Screen Actors Guild. It must have had some effect on you when the current president of that organization sided with the rebels in El Salvador and, in fact, handed over a very large check to help buy them bandages, as they think that money will be used for. It must have had some effect on you.

The President. It sure did. I was very proud of the Screen Actors Guild for many years. I was in charge of negotiations for about two decades there with management on a basic Guild contract, and I was president six times.

At that time, the Screen Actors Guild—I know people don't think actors can have that much sense, but they did—the Screen Actors Guild was probably the best force for constructive good in the motion picture industry of anyone in that industry, and that didn't come from me. Those were words that were spoken by management of the Guild. But the Guild had a solid rule that it did not engage in politics, that our members crossed the spectrum in their own personal views, and therefore, the Guild would not dare to speak politically. So, the Guild would not participate in politics, nor would we allow politics in the Guild. That has been changed under the present administration.

And being a lifetime member—I guess I'm free to speak as a member—I'm very disturbed. I thought that we were better off under the previous rule.

Rapid Deployment Force

Q. Mr. President, what kind of priority do you give the RDF, and do you think it presently is a viable force—the Rapid Deployment Force?

The President. The Rapid Deployment Force? I think it is. I think it still has a way to go, as does all of the military and what we're building up. But I think that it, yes, is one. And I think—maybe this wasn't part of your question, but maybe you had this in mind also. We have been greatly encouraged in the last several months with the increase in enlistment, but also with the increased level, caliber of the person who is enlisting and the great increase in reenlistment, particularly of noncommissioned officers, which had been a great drain on the military previously. There is an esprit de corps now in our military that is very heartwarming to see.

I got a letter from a kid on a submarine who told me, he said, "We may not be the biggest navy in the world anymore, but we're the best." And there's a lot of that feeling out there among the Services. And I think we have to do some things to augment—I know Karen[1] says I've gone beyond what I should, but well, there was a hand back there that I missed way back, and then I know I have to go.

Economic Recovery

Q. Thank you, sir. In our briefing this morning, we were told that some of us in the press had misinterpreted or misconstrued what you said yesterday in your press conference with regard to your optimism in terms of the economy. You said we're going to bottom out of the recession——

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[1] *Karna Small Stringer, Deputy Assistant to the President and Director of Media Relations and Planning.*

The President. Yes.

Q. ——in the long run. Could you clarify that for us now? When do you think we're going to find this bottom here and start to climb back out——

The President. Well, I've been trying to avoid a date, because I found out—we did talk in terms of spring or early summer and then found out that as the stories went on, this was just becoming, kind of by common usage, as if we were making a statement of fact. And we think the danger of building that up and then, suddenly, if you pass the first day of that particular month and something has not happened as yet, it'll be viewed as a calamity. So, we think that it's just better to tell you that we believe that things are going to improve in the second quarter, and we believe we will be on an upturn in the latter half of—the last two quarters of the year.

Q. Do you have a contingency plan if things don't turn around as you expect them to?

The President. A contingency plan? Well, to continue, as I say, I think we have the program in place. I will say this to you, honestly, that the program, of course, depends on the Congress passing the second installment, which is the budget that we have up on the Hill as of now. They can delay this recovery very much if they do not give us the further cuts that we're asking for, and remember, they are cuts in the increase in spending. The whole Government as a whole was increasing at a rate of around 17 percent when we took office. We have that down now to half of that. And we want to get it further and make it more practical.

I have to be a little cautious, because I am the original fellow who thinks there's a pony in here somewhere and I'm——

Toxic Wastes

Q. Mr. President——

The President. Karen says I have to stop.

Q. ——one last question. I'm from New Jersey and we're kind of concerned about toxic chemical dumps. Is there any room in the budgets to come for some more Superfund legislation or some funding from the Government to help clean up these dumps in New Jersey and other States?

The President. I wish Dave or Don Regan or someone had been here to answer that. I can't recall right now what the situation is. We're as concerned as anyone about it and certainly recognize the threat in that and want to do whatever is required, and will do that. But I—they tell me. I know, now I'm later than I was for the next appointment.

Q. Thank you.

The President. Thank you very much for being here.

Note: The President spoke at 1:05 p.m. at a luncheon which was held for the editors and directors in the East Room at the White House.

Nomination of James B. Wyngaarden To Be Director of the National Institutes of Health

February 19, 1982

The President today announced his intention to nominate James B. Wyngaarden to be Director of the National Institutes of Health, Department of Health and Human Services. He would succeed Donald Sharp Fredrickson.

Since 1967 Dr. Wyngaarden has been professor and chairman, department of medicine, Duke University School of Medicine, in Durham, N.C. He was professor and chairman, department of medicine, and professor of biochemistry, University of Pennsylvania School of Medicine, in Philadelphia, Pa., in 1965–67. He also served as a consultant to the Philadelphia Veterans Administration hospital during that same time period. He has held other positions with Duke University, George Washington University, National Institutes of Health, and Massachusetts General Hospital.

Dr. Wyngaarden attended Calvin College in Grand Rapids, Mich. (1942–43), Western Michigan University (1943–44), and the University of Michigan Medical School (1944–48). He is a member of the American Association for the Advancement of Science and the Institute of Medicine, National Academy of Sciences.

He has five children and resides in Durham, N.C. He was born October 19, 1924, in East Grand Rapids, Mich.

Proclamation 4900—The 250th Anniversary of the Birth of George Washington

February 22, 1982

By the President of the United States of America

A Proclamation

This month we commemorate the two hundred and fiftieth anniversary of the birth of George Washington, victorious commander of the American Revolution, chief advocate and President of the Constitutional Convention, and first President of the United States, unquestionably one of our greatest leaders.

His considerable wisdom, unflagging energy, dogged perseverence, profound faith in God, clear vision, and unswerving dedication to democratic principles contributed indispensably to the success of the American Revolution, the formulation and ratification of the United States Constitution and the establishment of the United States as a democratic federal republic.

As a soldier, he provided determined leadership, inspiring his men and sharing their lot in times of adversity. He took a group of farmers, tinkers, and store clerks and forged them into the Continental Army, a fighting instrument able to meet and best the finest professional troops in the world. Trusting in the rightness of his cause and, as he put it, in "the miraculous care of Providence," he proved his valor by leading his men into battle time after time during the long years of war.

As a citizen, he exemplified the ideal of the soldier in a democratic society, resigning his commission at war's end and retiring to the private pursuits of his beloved home, Mount Vernon. Yet, in his great vision, he saw the need for a better form of government, which would bind the sovereign States into an indissoluble Federal Union, while at the same time preserving and enhancing their unique role. To this end, he sponsored the Mount Vernon Conference, which led ultimately to the Philadelphia Convention in 1787.

As a statesman, he made his greatest and most lasting contribution to our American Nation. He presided with both tact and firmness over the Philadelphia Convention, guiding its members in drafting our charter of government so aptly described as the most important document ever composed by the hand of man at one time. Finally, heeding the call of his fellow citizens, he served as first President of the United States, setting precedents and establishing a standard to which all his successors can honorably aspire.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim February 22, 1982, as a Day of National Celebration of the two hundred and fiftieth Anniversary of the Birth of George Washington. I urge the people of the United States, in their homes, schools, and places of work, to join me in commemorating the birth of George Washington by reflecting on the character and accomplishments of this great man and his incalculable contributions to the establishment of this Nation. Let us rededicate ourselves to the fulfillment of his ideals and his faith in the people and resources of the

United States.

In Witness Whereof, I have hereunto set my hand this twenty-second day of February, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 10:54 a.m., February 22, 1982*]

Remarks at a Mount Vernon, Virginia, Ceremony Commemorating the 250th Anniversary of the Birth of George Washington

February 22, 1982

Thank you very much, Mrs. Guy. Members of the Mount Vernon Ladies' Association, honored guests, and fellow citizens:

We're gathered on hallowed grounds to share a special moment in our history. We come filled with pride and gratitude to honor George Washington, Father of our Country, knowing that because of what he did, we're free and we're Americans.

Two hundred and fifty years after his birth, Washington's star shines brighter than ever. "Our cause is noble," he said, "it is the cause of mankind!"

Pursuit of liberty and justice under God is still the most inspiring, the most successful, the most revolutionary idea the world has ever known. Words alone cannot express how much we revere this giant for freedom.

Yes, he is first in our hearts and will be first for all time. But as Abraham Lincoln said, "To add brightness to the sun, or glory to the name of Washington, is . . . impossible. Let none attempt it . . . pronounce the name, and . . . leave it shining on."

Eighty-five years later, Calvin Coolidge would say Washington's "ways were the ways of truth. He built for eternity. His influence grows. . . . In . . . action, in . . . character, he stands alone."

If one word could describe all this man was and all he meant, it might be, "indispensable." Had he not lived, perhaps some other great leader would have appeared to liberate the Colonies and establish our Republic. We'll never know. We know only that Washington was there, that he did fulfill this destiny, and that he did it with such skill and perfection he seemed to be carrying out a divine plan for America.

Never a passive leader, never an armchair general, he was always in front of his troops and his nation. He did more than live up to the standards of the time; he set them.

Washington was gifted with the vision of the future. He dreamed America could be a great, prosperous, and peaceful nation, stretching from ocean to ocean. He hoped the deliberations at Philadelphia would end with a declaration of our independence. He even designed and presented a drawing of the new American flag to Betsy Ross—13 stripes and a circle of white stars on a field of blue.

When the war was going badly, his courage and leadership turned the tide of history our way. On our first Christmas as a nation in 1776, he led his band of ragged citizen-soldiers across the Delaware River through driving snow to a victory that saved the cause of American independence. Their route of march, it is said, was stained by bloody footprints, but their spirit did not fail. Their will could not be crushed. Washington kept them going, and with the help of France they finally battled their way to Yorktown and the decisive victory that ended the war.

After the Revolution, he wanted to return here to Mount Vernon to be with his family, to farm, to hunt, to engage in commerce. But he loved his country and his country needed him. The 13 former Colonies were impoverished. They were bickering. They needed a constitution so that they could become a union of sovereign States joined to a central government.

The American political experiment was new to all human experience, and the world expected us to fail. If Washington had not stepped forward again—first at the Constitutional Convention, then as our first elected President, we might well have failed.

His feats were harvested from the seeds of exceptional character. He lacked higher education, but he pulled himself up with years of training and hard work. He was a man of deep faith who believed the pillars of society were religion, morality, and bonds of brotherhood between all citizens.

It has been written that the most sublime figure in American history was George Washington on his knees in the snow at Valley Forge. He personified a people who knew it was not enough to depend on their own courage and goodness; they must also seek help from God, their Father and Preserver.

Washington was so popular he could have been king had he wanted that. But he had no hunger for personal power. His love was liberty, and his trust was in the people. He believed they were dependable and right-minded and he believed that a leader's responsibility is to bring out their best qualities.

Let us ask ourselves, "Are we keeping faith with his trust in us?" The problems we face today don't require the kind of sacrifices Washington and his men made that Christmas night on the Delaware, but they do require us to give and sustain our best efforts—to believe in each other, to believe in the God who has blessed us and will help us to rebuild our country.

George Washington and his generation of Americans met their challenge. We can, we must, and we will meet ours.

To the students across America who are listening in today, if Washington seems much larger than life and makes you feel a little smaller, I'll let you in on a secret—he makes us all feel that way. But you do matter a lot. I'm sure he would tell you the important thing is to find your goal and go for it. Then if you fail, and he himself failed many times, pick yourselves up and try again. Remember our problems are also our opportunities. You can take us to new frontiers in space, find medical cures for deadly diseases, discover technological breakthroughs, develop better ways to grow food, provide shelter, and produce energy. The world's hope is still America's future. America's future is in your dreams. Make them come true. The only limits are your imagination and your determination.

The story is told that one night at dinner here at Mount Vernon, Lafayette said to Washington, "General, you Americans even in war and desperate times have a superb spirit. You're happy and you're confident. Why is it?" And Washington answered, "There is freedom. There is space for a man to be alone and think, and there are friends who owe each other nothing but affection."

We still have that in America. As Americans, let us all rededicate ourselves to the ideals that George Washington set. Let us give of ourselves so that when our time is through, history may say of us what Thomas Jefferson said of him: Their integrity was the most pure and their justice the most inflexible we have ever known. They were in every sense of the word a wise and a great people.

I believe we still are. And because I believe in you, I believe we will be tomorrow. God bless America, and thank you very much.

Note: The President spoke at 11:40 a.m. on the front steps of the Mount Vernon residence after laying a wreath at President Washington's tomb on the estate grounds. His remarks were broadcast live by the Mutual Broadcasting System. Following his remarks, the President attended a reception in the residence and then returned to the White House.

Message to the Senate Transmitting the International Convention on the Simplification and Harmonization of Customs Procedures

February 22, 1982

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to accession, I transmit herewith the International Convention on the Simplification and Harmonization of Customs Procedures ("Convention"), which entered into force on September 25, 1974. I am also transmitting, for the information of the Senate, the report of the Department of State on the Convention.

The Convention seeks to foster international trade through the simplification and harmonization of customs procedures and operations. United States accession will reflect and be consistent with our policy to reduce significantly tariff and nontariff barriers to international trade.

In 1970 the United States became a member of the Customs Cooperation Council established pursuant to the Convention Establishing a Customs Cooperation Council, concluded in 1950. As a Council member, the United States participated in the development of the Convention by the Council. The Council adopted the Convention and its first three annexes in 1973. Since then, twenty-seven additional annexes have been adopted. Under the terms of the Convention, a State may accept a limited number of annexes, and may enter reservations with respect to most provisions of any annex. In accordance with these terms, I propose that the United States accept twenty of the annexes (A.1, A.2, A.3, B.1, B.3, C.1, D.2, E.1, E.2, E.3, E.4, E.8, F.1, F.3, F.4, F.5, F.6, G.1, G.2 and H.1), and enter the reservations set forth in an attachment to the Convention with respect to some of their provisions. The provisions for which reservation is recommended conflict with current United States legislation and regulations. With these proposed reservations, no new implementing legislation will be necessary in order to comply with the Convention.

I recommend that the Senate give early and favorable consideration to this Convention and give its advice and consent to United States accession to the Convention and twenty of its annexes, subject to the proposed reservations.

Accession to the Convention by the United States would contribute to important U.S. interests. First, all of the United States' major trading partners have accepted the Convention and one or more of its annexes. Acceptance by the United States would significantly further our commitment to eliminate restrictive trade practices and result in beneficial modernization of United States customs procedures.

Second, the Convention serves as a guide for countries seeking to develop and modernize their regulations and procedures. It is therefore important for the United States trade interests that it set forth impartial and simplified methods for conducting customs business. This achievement can best be pursued by the United States as a party to the Convention.

RONALD REAGAN

The White House,
February 22, 1982.

Nomination of Joseph R. Wright, Jr., To Be Deputy Director of the Office of Management and Budget

February 22, 1982

The President today announced his intention to nominate Joseph R. Wright, Jr., to be Deputy Director of the Office of Management and Budget. He would succeed Edwin

L. Harper.

Mr. Wright is currently Deputy Secretary of the Department of Commerce. Previously Mr. Wright had managed a wholly owned subsidiary of Citicorp, serving as president of both Citicorp Retail Services and Retail Consumer Services, Inc. From 1971 to 1976, he served in a number of high Federal Government positions, including Assistant Secretary for Administration at the Department of Agriculture, Deputy Director of the Social and Economic Statistics Administration at the Department of Commerce, and Deputy Director of the Bureau of the Census. From 1966 to 1971, Mr. Wright was a vice president of Booz, Allen & Hamilton, Inc.

Mr. Wright, who is 43 years old, received his B.S. degree from the Colorado School of Mines in 1961 and an M.B.A. from Yale University in 1964.

Nomination of Robert W. Sweet, Jr., To Be Deputy Director of the National Institute of Education

February 22, 1982

The President today announced his intention to nominate Robert W. Sweet, Jr., to be Deputy Director of the National Institute of Education, Department of Education. He would succeed Gladys Chang Keith Hardy.

Since July 1981 Mr. Sweet has been serving as Special Assistant to the Assistant Secretary of Education for Elementary and Secondary Education. He was with HB Educational Systems, Inc., in 1971–1979. Prior to that, he was with Holt, Rinehart and Winston in 1964–1972.

Mr. Sweet is a graduate of the University of Maine (B.A., 1960). He is married and has five children. He was born on March 18, 1937.

Remarks at a White House Briefing for the National Association of Counties

February 22, 1982

The President. Well, it almost goes without saying, I think, that I'm pleased that all of you could be here today. I heard a rumor that you've been discussing the federalism initiative with Rich Williamson[1] here, and I just want to add a few words here.

Our proposal reflects the comments and advice which we've received over the course of the past year from State and local officials all across the country, including the comments we've received from county officials. I remember meeting with your president, Richard Condor, last September when he urged me to retain full funding for general revenue sharing. Well, revenue sharing is protected in the fiscal 1983 budget that we have submitted. In addition, knowing of local officials' strong support for the revenue sharing concept, we've proposed a super revenue sharing fund in the federalism initiative. Now, this mandate-free trust fund would give you the flexibility to determine your own communities' priorities and to best meet the needs of your citizens.

Let me say in connection with that that among some of the questions that have been raised—and that we honestly want to find answers for—has been one that harks back to a day when—there are those and who, with good reason from history, worry that a full mandate back to the States could result in discrimination in the conduct or the management of some of these programs. Well, here, I believe one of the things that has to be inherent in this program is the Federal Government setting some minimum standards in which there cannot be such discrimination anywhere or at any time.

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[1] *Assistant to the President for Intergovernmental Affairs.*

I think that—and our own approach in this modern day and our belief in civil rights—makes this just inherent in any such program. And that protection we will insist is there, because I believe this is one responsibility the Federal Government cannot pass on, and that is the constitutional rights of every individual in this country are the responsibility of the Federal Government, to see that no one's rights are violated.

The proposal contains also, as you probably have been told by Rich, a hundred-percent pass-through provision to local units of government for programs which have traditionally been direct Federal local programs, and a 15-percent pass-through for other programs in the trust fund. Now, I am unalterably committed to a mandatory pass-through of funds to local units of government. The proposal will also not be effective until fiscal year 1984 and contains an 8-year transition period, provides sufficient lead time to State and local officials to implement this program with the least dislocation possible.

While we've tried to incorporate your views into this package, we don't want your input to end there. And this is why I was so pleased to learn that you've established a special task force on federalism, which I met with in the White House on February 11th. As I've emphasized on many occasions, this initiative is a conceptual framework. It is not presented as a finished plan that we're seeking now to impose on all of our colleagues there in the various echelons of government. It's a statement of principles, and we seek your help in fleshing out the details.

Many of the technical questions which must be addressed are complex, but the issue is simple. Do we defend the status quo of a big, centralized Federal Government which costs too much and produces too little, or do we show progress, change, and new solutions by moving forward and returning programs and resources—*and resources*—to the people? The opportunity to make government work again is much bigger than an accounting program. We must seize this opportunity to reverse a trend that has begun to choke State and local initiative and overload the Federal Government.

We recognize that there are opponents; some can't be won over. And those who don't want the forum for public policymaking shifted—because it'll be disadvantageous to their special interests—are being heard from. They are the ones who have fed off the present system, and I don't mean recipients. I mean various representatives of bureaucracies and particular special-interest groups. Other opponents perhaps genuinely believe that the farther representatives are from the people they serve, the better democracy will function. Well, that's an assumption I reject, as I know you do. Democracy depends on government being close to the people.

I have a quote that's kind of a favorite of mine that I came across one day by an individual who is known more for his silence than for his profound utterances. But this individual said, "No method of procedure has ever been devised by which liberty could be divorced from local government. No plan of centralization has ever been adopted which did not result in bureaucracy, tyranny, inflexibility, reaction, and decline. Of all forms of government those administered by bureaucrats are about the least satisfactory to an enlightened and progressive people. Being irresponsible, they become autocratic, and becoming autocratic they resist all development. Unless bureaucracy is constantly resisted, it breaks down representative government and overwhelms democracy. It is one element that our institution sets up under the pretense of having authority over everybody and being responsible to nobody." And that was stated on May 15, 1926, at William and Mary College by President Calvin Coolidge. Well, I think that's what county government is all about.

And I would now like to call on your president, Richard Condor.

Mr. Condor. Thank you very much, Mr. President.

I bring you greetings from county government in America, and we certainly thank you for this tremendous, bold proposal that you have made and undertaken on behalf of America.

First of all let me tell you that this morning I was watching the news at 7 o'clock—because we had a long day today—and the news at the time stated that county government had rejected the new federalism program. The truth of the matter is we did not begin our meeting to discuss it until 7:30, so the word that got out was not correct. I want to dispel that rumor.

But we in county government have been looking for this day, this bold proposal I'm talking about, where we can return responsibility back to the local level and decentralize the Federal Government. We feel very strongly that the responsibility should be performed by the level of government that's closest to the people and is most capable of performing that service. And in so doing, we feel like with that responsibility should come the appropriate revenues. And we feel very strongly about this new federalism program.

The American County platform has been preaching this for some 20, 25 years. It's exactly what we've been saying. And we commend your bold efforts and hopefully that between us and our sister organizations, we can get together and work with you and your administration to find a positive solution to the problem that we've been seeking to iron out for many, many years.

Again I'd like to thank you too on behalf of NACO, because you and your staff have been tremendously responsive to NACO, our staff people. And the communication, the dialog that we have with you is just excellent. We thank you for it and commend you and look forward to our continued dialog as we go forward.

And at this time, Mr. President, I would like to recognize our first vice president, Bill Murphy.

Mr. Murphy. Mr. President, it's nice to be with you again. I was there on February 11th, when we kicked around some of the ideas for the new federalism. Since that time, we've gone back home and done our homework, and your staff has been working along with us—Rich Williamson and Steve Rhodes and Eve Baskowitz. We have aired and voiced a number of concerns that we have about the program. And I'm happy to say to you that many of those things have already been answered by earlier statements that you've made or by clarifications that Rich has made.

It's a distinct honor for us to be here today, and I know that all the members of our board of directors appreciate it. And I know we have about 1,400 disappointed people left over at the Washington Hilton who couldn't be here.

Specifically, Mr. President, one of the things that concerns us greatly about the new federalism proposal is in the area of the swap, the Medicaid for AFDC and food stamps. And the item of most concern is which of the optional services under Medicaid will, in fact, be picked up. As you know, there is the basic Medicaid program that the Federal Government enforces throughout the United States. And then there are a series of about 14 optional programs—and you range all the way from Arizona, exercising none of those optional programs, all the way up to New York which exercises all of them.

Under the swap, how many of those programs and which ones, if you could be specific, would the Federal Government federalize?

The President. Well, here again, you have me—and this is one of the reasons for meetings of this kind and for us getting and working together. That's a very complex problem, we know. And it's one that we don't have an answer that we are imposing on you in this trade—that we want to work out the details of that kind of an answer in company with yourselves and the others and State entities to find out how it can fairly be done.

The reason that we chose that one for the trade to ourselves was because, as you know, the increase in cost of that program is several times greater per year than the increase in cost for the program that we're willing to trade. So, we believe that that would help when the day comes for final independence, that by that time we would have discovered how much more of your own tax assets you had available from not having to meet that increased cost for that program that could then be applied to the other programs. But this we want to meet with you on and to find out how extensive and how diverse are those problems, those options that you spoke of, and how they can be handled in this transfer program.

Mr. Condor. Mr. President, we met this morning—the board of directors of the National Association of Counties—and after many, many hours of deliberation and real hard work, our board of directors by an overwhelming majority approved a resolution setting forth our approval of the new federalism with the key issues that go with it. And at this time, I'd like to present to you our copy of a final draft of this resolution where our support for the new federalism initiative is in effect and hopefully that we will continue to discuss this with you a bit later on.

The President. Oh, well you will be, and I thank you very much for this. I appreciate it. I felt a sympathy for you when you said that you woke up this morning and heard on the news the decision you'd supposedly made, and you hadn't met yet—[*laughter*]—they've been treating my economic program that way too—[*laughter*]—said it had failed and it hadn't started yet. [*Laughter*]

Mr. Condor. Let me please ask you—this $30.2 billion funding level that we're talking about, these 43 turnback programs—and this is under the assumption now that your budget cuts are successful from your administration. In the event now that these budget cuts are not enacted by Congress and that some greater amount is approved by Congress, will these adjustments be made upward in this trust fund?

The President. Yes, they have to be. There's one thing for certain. The whole idea of this—when we say no winners and no losers—is we have no intention of dumping responsibilities on other levels of government without providing the resources to pay for them.

Mr. Condor. That's the best statement I've heard in a long time, Mr. President, and we certainly appreciate that.

The President. That's it? Well, you're a lot easier to handle in this room than the press is. [*Laughter*] No, but thank you all very much, and I hope you do realize that we mean by this—this has to be a joint undertaking. And I'm glad for this—grateful for it and the emphasis that you put on the importance of the program, because I think in effect we are restoring the 10th amendment to the Constitution, which says that the Federal Government shall do only those things provided in the Constitution and all others shall remain with the States and with the people.

Note: The President spoke at 3:10 p.m. in Room 450 of the Old Executive Office Building.

Proclamation 4901—Extension of Temporary Quantitative Limitation on the Importation Into the United States of Certain Clothespins

February 22, 1982

By the President of the United States of America

A Proclamation

1. By Proclamation 4640 of February 23, 1979, the President proclaimed, under the authority of the Constitution and the statutes of the United States, including sections 203(a)(3) and (e)(1) of the Trade Act of 1974 (the Trade Act) (19 U.S.C. 2253(a)(3) and 2253(e)(1)), the imposition of quantitative restrictions on U.S. imports of wood and plastic spring-type clothespins with a dutiable value not over $1.70 per gross provided for in items 790.05 of the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202). The quantitative limitation ap-

plied to articles entered, or withdrawn from warehouse for consumption, on or after February 23, 1979, and was to continue through February 22, 1982, unless earlier modified or terminated. The quota permitted the importation of a quantity or value of articles which is not less than the average annual quantity or value of such articles imported into the United States in the 1973–1978 period.

2. On December 7, 1981, the United States International Trade Commission (USITC), in accordance with sections 203(i)(3) and (5) of the Trade Act (19 U.S.C. 2253(i)(3) and 2253(i)(5)), reported the results of its investigation as required in section 203(i)(3) of the Trade Act (19 U.S.C. 2253(i)(3)) to the President (USITC Publication 1201). The USITC advised the President that termination or reduction of the import relief presently in effect with regard to certain clothespins will have an adverse economic effect on the domestic industry producing like or directly competitive products.

3. Section 203(h)(3) of the Trade Act (19 U.S.C. 2253(h)(3)) provides that any import relief instituted under the authority of section 203 may be extended by the President at a level no greater than that in effect at the time of extension if the President determines, after considering the advice of the USITC and the factors indicated in section 202(c) of the Trade Act (19 U.S.C. 2252(c)), that an extension is in the national interest.

4. In accordance with sections 203(h)(3) of the Trade Act (19 U.S.C. 2253(h)(3)), I have determined that import relief hereinafter proclaimed as to imports of certain clothespins should be extended at the level of relief in effect for the period of February 23, 1979, through February 22, 1982, and that such extension is in the national interest.

Now, Therefore, I, Ronald Reagan, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States, including sections 203 and 604 of the Trade Act (19 U.S.C. 2253 and 2483), and in accordance with Article XIX of the General Agreement on Tariffs and Trade (GATT) (61 Stat. (pt. 5) A58; 8 UST (pt. 2) 1786), do proclaim that—

(1) Part I of Schedule XX to the GATT is modified to take into account the actions taken in this proclamation.

(2) Subpart A, part 2 of the Appendix to the TSUS is modified by deleting, in the superior heading to items 925.11, 925.12, and 925.13, the years "1979" and "1982" and by inserting "1982" and "1984", respectively, in lieu thereof.

(3) This proclamation shall be effective as to articles entered, or withdrawn from warehouse for consumption, on or after February 23, 1982, and before the close of February 22, 1984, unless the period of its effectiveness is earlier expressly modified or terminated.

In Witness Whereof, I have hereunto set my hand this twenty-second day of February, in the year of our Lord nineteen hundred and eighty-two, and of the independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 11:05 a.m., February 23, 1982*]

Note: The text of the proclamation was released by the Office of the Press Secretary on February 23.

Nomination of Peter Otto Murphy To Have the Rank of Ambassador While Serving as United States Negotiator on Textile Matters

February 23, 1982

The President today announced his intention to nominate Peter Otto Murphy, of the District of Columbia, for the rank of Ambassador during his tenure of service as United

States Negotiator on Textile Matters. He would succeed Michael B. Smith.

Mr. Murphy joined the Office of the Special Representative for Trade Negotiations in November 1974, to participate in the Multilateral Trade Negotiations in Geneva, Switzerland. During these negotiations, he participated in a number of nontariff measure issues and was responsible for the United States position on textile tariff negotiations. He has worked in the USTR's textile office since February 1977.

He graduated from Washington and Jefferson College (B.A., 1971) and Georgetown University (M.S.F.S., 1974). He was born March 23, 1948, in Providence, R.I.

Appointment of William P. Horn as a Commissioner of the United States Section of the Great Lakes Fishery Commission

February 23, 1982

The President today announced his intention to appoint William P. Horn to be a Commissioner of the U.S. Section of the Great Lakes Fishery Commission. He would succeed Robert L. Herbst.

Mr. Horn is currently Deputy Under Secretary of the Interior. Previously he was staff assistant to the Secretary of the Interior. He was minority consultant to the Committee on Interior and Insular Affairs, U.S. House of Representatives, in 1977–81; special assistant to the Assistant Secretary of the Interior (Land and Water) in 1976–77; confidential assistant to the Secretary of Commerce in 1975–76; and acting executive director, House Republican Conference, U.S. House of Representatives, in 1975.

He graduated from the American University (B.A., 1972). He is married and resides in Falls Church, Va. He was born December 16, 1950, in Dover, Del.

Toasts at a White House Dinner Honoring the Nation's Governors

February 23, 1982

The President. Ladies and gentlemen, there's nothing like a dinner by candlelight, is there? [*Laughter*]

Well, your advice and counsel during these past days and in the year since I came to office have been invaluable as we've worked to renew the health and promise of this country. And together, we've begun restoring the partnership between the levels of American government.

I'm aware that some of you feel caught between yesterday's call for greater autonomy and tomorrow's fear of being left alone with problems you didn't create. To you I give this pledge: The Federal Government will not turn its back on people, communities, or States in need of help. We will not create winners and losers, turning States and regions against each other. Our goal has been and will remain to bring prosperity to all Americans in every part of our country.

The reforms that we've proposed won't work miracles, but they will bring progress. They don't confuse the ideals of Federal assistance with the failed realities of bureaucracy.

You know, I have to stop and tell you one of my favorite stories about bureaucracy. There was a man in Washington whose job was sitting at a desk in his particular department. And papers came to his desk, and he decided where they should go and initialed them and sent them on. And one day a classified paper came to him, but he read it and figured out where it should go, initialed it and sent it on. And a couple of days later it came back to him saying, "You were not supposed to read this." [*Laughter*] "Erase your initials, and initial the erasure." [*Laughter*]

Well, sometimes you recognize that programs that have helped will wipe away those that have failed or made matters worse is what it is—what we're aiming at. In this centennial year of the birth of Franklin Roosevelt, a former Governor, we should read again his words with regard to our need to restore economic sanity to Washington and power and resources to you. He said, "Civilization cannot go back. Civilization must not stand still. It is our task to perfect, to improve, to alter when necessary, but, in all cases, to go forward."

F.D.R. also expressed his belief in giving back to the States authorities which he said had been unjustly usurped by the Federal Government. And I figure if we give enough of them back, then I'm going to be able to go to the ranch more often. [*Laughter*]

But we of this era must understand that we, too, have come upon a new day. We must change the way that we view government's role in our rapidly changing society. Roosevelt's challenge is our challenge tonight and in the weeks and months ahead. We must summon the courage to move forward. Governor Snelling put it very well when he said, "Either you believe in democracy or you don't." Well, I do, and I know you do, too.

Our program for economic recovery and our proposal to restore the partnership between State, local, and Federal Government are born from that belief. They spring from an abiding faith in the American people and in our ability to govern ourselves.

I'm pleased and encouraged by your action this morning in passing a federalism resolution in a spirit of bipartisanship and cooperation. I'm waiting to read and hear about it in the media, but—[*laughter*]—anyway, I know you've done it. [*Laughter*]

You've taken a significant step toward the achievement of the revitalized federalism we've all been requesting for a number of years.

So, now I ask you to join me in a toast that we can all drink to, those ideals of democracy and to our partnership for progress through which we will make them live again.

Thank you very much, and thank you all for being here.

Governor Snelling. Mr. President, on behalf of the Governors of the States and territories of this nation, we want to thank you and your very gracious First Lady for this welcome. The state dinner is the highlight always of any meeting of the National Governors' Association, and we consider it a very great privilege to join you here in this house.

Mr. President, one of the reasons why I admire you so much is because you understand and appreciate Cal Coolidge of Vermont. And you have spoken quite a bit about Cal Coolidge, and you understand that Cal didn't say very much. As a matter of fact you've already said more than Cal said in his entire life. But what Cal said he said wisely, and he was not only a man who had great insight about government, but also a very deep sense of humor, and your references to the news reports of what we did reminds me of the story they tell about Cal Coolidge.

People in Plymouth really appreciated him, and they liked the fact that even after he was President of the United States, he still cared about his farm in Plymouth, and he came home often. So, they decided on one occasion to honor him, and they decided they'd have something made—handmade as a symbol of their respect for him. And they finally had a rake made—a hay rake, of course. And they invited him back to Plymouth, and when he was next there they agreed to have the most eloquent person in town present the rake to the President.

And it came to pass, and the loquacious gentleman got up and said, "Mr. President, we're just so honored to present this rake to you which we have hand-made of hickory, because hickory is a very durable wood, and because like you, Mr. President, hickory, when it is fashioned, holds its shape and no longer changes, and because, like you, Mr. President, hickory weathers well. And we want you to have this as a symbol of our affection for you and our appreciation of your affection for Vermont." And the man handed it to the President. Cal took it, turned it over twice, looked out at the audience, and said, "It's ash." [*Laughter*]

Mr. President, no matter what you hear about the Governors of the United States rejecting your overture to make federalism a high priority item on your agenda, the Governors of the United States did not do that. The Governors of the United States appreciate the fact that you who have been one of us have fully appreciated that sense of urgency with which the American people wish to see government come back home. And we want to salute you for not only appreciating that urge but for acting upon it, and for putting before us and putting before the Congress and putting before the people of the United States an agenda in which the recognition of the constitutional rights and obligations of the States and of local government has a very high priority. And in that spirit, the Governors of these States and territories have responded by making specific suggestions to you and by accepting your offer to work with them.

And so, we want to salute you for being the kind of leader who recognizes not only what is important to the people of this country but who also takes the kinds of actions which makes it clear that he believes fully in what he says. I think your offer to negotiate with us these matters, and to meet with us, and to provide some give and some take is very, very much appreciated by everyone in this room, because you've not just offered, you have demonstrated that you will treat the Federal partners as partners. And for that, Mr. President, we salute you, and we thank you.

To the President.

Note: The President spoke at 9:50 p.m. in the State Dining Room at the White House.

Governor Richard A. Snelling of Vermont is chairman of the National Governors' Association.

Executive Order 12347—Agreement on Government Procurement
February 23, 1982

By the authority vested in me as President by the Constitution and statutes of the United States of America, including Title III of the Trade Agreements Act of 1979 (19 U.S.C. 2511–2518), and to reflect that the Maritime Administration continues to be one of the agencies to whom the Agreement on Government Procurement is applicable, notwithstanding the transfer of the Maritime Administration from the Department of Commerce to the Department of Transportation (46 U.S.C. 1601), it is hereby ordered that the Annex to Executive Order No. 12260 is amended by adding thereto the following: "54. Maritime Administration of the Department of Transportation.".

RONALD REAGAN

The White House,
February 23, 1982.

[*Filed with the Office of the Federal Register, 11:43 a.m., February 24, 1982*]

Note: The text of the Executive order was released by the Office of the Press Secretary on February 24.

Remarks on the Caribbean Basin Initiative to the Permanent Council of the Organization of American States

February 24, 1982

Mr. Chairman, distinguished permanent representatives, Mr. Secretary General, distinguished members of the diplomatic corps, ladies and gentlemen:

It's a great honor for me to stand before you today. The principles which the Organization of American States embodies—democracy, self-determination, economic development, and collective security—are at the heart of U.S. foreign policy. The United States of America is a proud member of this organization. What happens anywhere in the Americas affects us in this country. In that very real sense, we share a common destiny.

We, the peoples of the Americas, have much more in common than geographical proximity. For over 400 years our peoples have shared the dangers and dreams of building a new world. From colonialism to nationhood, our common quest has been for freedom.

Most of our forebears came to this hemisphere seeking a better life for themselves. They came in search of opportunity and, yes, in search of God. Virtually all descendants of the land and immigrants alike have had to fight for independence. Having gained it, they've had to fight to retain it. There were times when we even fought each other.

Gradually, however, the nations of this hemisphere developed a set of common principles and institutions that provided the basis for mutual protection. Some 20 years ago, John F. Kennedy caught the essence of our unique mission when he said it was up to the New World "to demonstrate that man's unsatisfied aspiration for economic progress and social justice can best be achieved by free men working within a framework of democratic institutions."

In the commitment to freedom and independence, the peoples of this hemisphere are one. In this profound sense, we are all Americans. Our principles are rooted in self-government and nonintervention. We believe in the rule of law. We know that a nation cannot be liberated by depriving its people of liberty. We know that a state cannot be free when its independence is subordinated to a foreign power. And we know that a government cannot be democratic if it refuses to take the test of a free election.

We have not always lived up to these ideals. All of us at one time or another in our history have been politically weak, economically backward, socially unjust, or unable to solve our problems through peaceful means. My own country, too, has suffered internal strife, including a tragic civil war. We have known economic misery, and once tolerated racial and social injustice. And, yes, at times we have behaved arrogantly and impatiently toward our neighbors. These experiences have left their scars, but they also help us today to identify with the struggle for political and economic development in the other countries of this hemisphere.

Out of the crucible of our common past, the Americas have emerged as more equal and more understanding partners. Our hemisphere has an unlimited potential for economic development and human fulfillment. We have a combined population of more than 600 million people; our continents and our islands boast vast reservoirs of food and raw materials; and the markets of the Americas have already produced the highest standard of living among the advanced as well as the developing countries of the world. The example that we could offer to the world would not only discourage foes; it would project like a beacon of hope to all of the oppressed and impoverished nations of the world. We are the New World, a world of sovereign and independent states that today stand shoulder to shoulder with a common respect for one another and a greater tolerance of one another's shortcomings.

Some 2 years ago, when I announced as a candidate for the Presidency, I spoke of an ambition I had to bring about an accord with our two neighbors here on the North American continent. Now, I was not suggesting a common market or any kind of formal arrangement. "Accord" was the only word that seemed to fit what I had in mind.

I was aware that the United States has long enjoyed friendly relations with Mexico and Canada, that our borders have no fortifications. Yet it seemed to me that there was a potential for a closer relationship than had yet been achieved. Three great nations share the North American continent with all its human and natural resources. Have we done all we can to create a relationship in which each country can realize its potential to the fullest?

Now, I know in the past the United States has proposed policies that we declared would be mutually beneficial not only for North America but also for the nations of the Caribbean and Central and South America. But there was often a problem. No matter how good our intentions were, our very size may have made it seem that we were exercising a kind of paternalism. At the time I suggested a new North American accord, I said I wanted to approach our neighbors not as someone with yet another plan, but as a friend seeking their ideas, their suggestions as to how we could become better neighbors.

I met with President López Portillo in Mexico before my inauguration and with Prime Minister Trudeau in Canada shortly after I had taken office. We have all met several times since—in the United States, in Mexico and Canada—and I believe that we have established a relationship better than any our three countries have ever known before.

Today I would like to talk about our other neighbors—neighbors by the sea—some two dozen countries of the Caribbean and Central America. These countries are not unfamiliar names from some isolated corner of the world far from home. They're very close to home. The country of El Salvador, for example, is nearer to Texas than Texas is to Massachusetts. The Caribbean region is a vital strategic and commercial artery for the United States. Nearly half of our trade, two-thirds of our imported oil, and over half of our imported strategic minerals pass through the Panama Canal or the Gulf of Mexico. Make no mistake: The well-being and security of our neighbors in this region are in our own vital interest.

Economic health is one of the keys to a secure future for our Caribbean Basin and to the neighbors there. I'm happy to say that Mexico, Canada, and Venezuela have joined in this search for ways to help these countries realize their economic potential.

Each of our four nations has its own unique position and approach. Mexico and Venezuela are helping to offset energy costs to Caribbean Basin countries by means of an oil facility that is already in operation. Canada is doubling its already significant economic assistance. We all seek to ensure that the people of this area have the right to preserve their own national identities, to improve their economic lot, and to develop their political institutions to suit their own unique social and historical needs. The Central American and Caribbean countries differ widely in culture, personality, and needs. Like America itself, the Caribbean Basin is an extraordinary mosaic of Hispanics, Africans, Asians, and Europeans, as well as native Americans.

At the moment, however, these countries are under economic siege. In 1977, 1 barrel of oil was worth 5 pounds of coffee or 155 pounds of sugar. Well, to buy that same barrel of oil today, these small countries must provide 5 times as much coffee—nearly 26 pounds—or almost twice as much sugar—283 pounds. This economic disaster is consuming our neighbors' money, reserves, and credit, forcing thousands of people to leave for other countries, for the United States, often illegally, and shaking even the most established democracies. And economic disaster has provided a fresh opening to the enemies of freedom, national independence, and peaceful development.

We've taken the time to consult closely with other governments in the region, both sponsors and beneficiaries, to ask them what they need and what they think will work. And we've labored long to develop an economic program that integrates trade, aid, and investment—a program that represents a long-term commitment to the countries of the Caribbean and Central America to make use of the magic of the marketplace, the market of the Americas, to earn their own way toward self-sustaining growth.

At the Cancún summit last October, I presented a fresh view of a development which stressed more than aid and government intervention. As I pointed out then, nearly all of the countries that have succeeded in their development over the past 30 years have done so on the strength of market-oriented policies and vigorous participation in the international economy. Aid must be complemented by trade and investment.

The program I'm proposing today puts these principles into practice. It is an integrated program that helps our neighbors help themselves, a program that will create conditions under which creativity and private entrepreneurship and self-help can flourish. Aid is an important part of this program, because many of our neighbors need it to put themselves in a starting position from which they can begin to earn their own way. But this aid will encourage private-sector activities, not displace them.

The centerpiece of the program that I am sending to the Congress is free trade for Caribbean Basin products exported to the United States. Currently some 87 percent of Caribbean exports already enter U.S. markets duty free under the Generalized System of Preferences. These exports, however, cover only the limited range of existing products—not the wide variety of potential products these talented and industrious peoples are capable of producing under the free-trade arrangement that I am proposing.

Exports from the area will receive duty-free treatment for 12 years. Thus, new investors will be able to enter the market knowing that their products will receive duty-free treatment for at least the pay-off lifetime of their investments. Before granting duty-free treatment, we will discuss with each country its own self-help measures.

The only exception to the free trade concept will be textile and apparel products, because these products are covered now by other international agreements. However, we will make sure that our immediate neighbors have more liberal quota arrangements.

This economic proposal is as unprecedented as today's crisis in the Caribbean. Never before has the United States offered a preferential trading arrangement to any region. This commitment makes unmistakably clear our determination to help our neighbors grow strong.

The impact of this free-trade approach will develop slowly. The economies that we seek to help are small. Even as they grow, all the protections now available to U.S. industry, agriculture, and labor against disruptive imports will remain. And growth in the Caribbean will benefit everyone with American exports finding new markets.

Secondly, to further attract investment, I will ask the Congress to provide significant tax incentives for investment in the Caribbean Basin. We also stand ready to negotiate bilateral investment treaties with interested Basin countries.

Third, I'm asking for a supplemental fiscal year 1982 appropriation of $350 million to assist those countries which are particularly hard hit economically. Much of this aid will be concentrated on the private sector. These steps will help foster the spirit of enterprise necessary to take advantage of the trade and investment portions of the program.

Fourth, we will offer technical assistance and training to assist the private sector in the Basin countries to benefit from the opportunities of this program. This will include investment promotion, export marketing, and technology transfer efforts, as well as programs to facilitate adjustments to greater competition and production in agriculture and industry. I intend to seek the active participation of the business community in this joint undertaking. The Peace Corps already has 861 volunteers in Caribbean Basin countries and will give special emphasis to recruiting volunteers with skills in developing local enterprise.

Fifth, we will work closely with Mexico, Canada, and Venezuela, all of whom have already begun substantial and innovative programs of their own, to encourage stronger international efforts to coordinate our own development measures with their vital contributions, and with those of other potential donors like Colombia. We will also encourage our European, Japanese, and other Asian allies, as well as multilateral development institutions, to increase their assistance in the region.

Sixth, given our special valued relationship with Puerto Rico and the United States Virgin Islands, we will propose special measures to ensure that they also will benefit and prosper from this program. With their strong traditions of democracy and free enterprise, they can play leading roles in the development of the area.

This program has been carefully prepared. It represents a farsighted act by our own people at a time of considerable economic difficulty at home. I wouldn't propose it if I were not convinced that it is vital to the security interests of this nation and of this hemisphere. The energy, the time, and the treasure we dedicate to assisting the development of our neighbors now can help to prevent the much larger expenditures of treasure as well as human lives which would flow from their collapse.

One early sign is positive. After a decade of falling income and exceptionally high unemployment, Jamaica's new leadership is reducing bureaucracy, dismantling unworkable controls, and attracting new investment. Continued outside assistance will be needed to tide Jamaica over until market forces generate large increases in output and employment—but Jamaica is making freedom work.

I've spoken up to now mainly of the economic and social challenges to development. But there are also other dangers. A new kind of colonialism stalks the world today and threatens our independence. It is brutal and totalitarian. It is not of our hemisphere, but it threatens our hemisphere and has established footholds on American soil for the expansion of its colonialist ambitions.

The events of the last several years dramatize two different futures which are possible for the Caribbean area: either the establishment or restoration of moderate, constitutional governments with economic growth and improved living standards, or further expansion of political violence from the extreme left and the extreme right, resulting in the imposition of dictatorships and, inevitably, more economic decline and human suffering.

The positive opportunity is illustrated by the two-thirds of the nations in the area which have democratic governments. The dark future is foreshadowed by the poverty and repression of Castro's Cuba, the tightening grip of the totalitarian left in Grenada and Nicaragua, and the expansion of Soviet-backed, Cuban-managed support for violent revolution in Central America.

The record is clear. Nowhere in its whole sordid history have the promises of communism been redeemed. Everywhere it has exploited and aggravated temporary economic suffering to seize power and then to institutionalize economic deprivation and suppress human rights. Right now, 6 million people worldwide are refugees from Communist systems. Already, more than a million Cubans alone have fled Communist tyranny.

Our economic and social program cannot work if our neighbors cannot pursue their own economic and political future in peace, but must divert their resources, instead, to fight imported terrorism and armed attack. Economic progress cannot be made while guerrillas systematically burn, bomb, and destroy bridges, farms, and power and transportation systems—all with the deliberate intention of worsening economic and social problems in hopes of radicalizing already suffering people.

Our Caribbean neighbors' peaceful attempts to develop are feared by the foes of freedom, because their success will make the radical message a hollow one. Cuba and its Soviet backers know this. Since 1978 Havana has trained, armed, and directed extremists in guerrilla warfare and economic sabotage as part of a campaign to exploit troubles in Central America and the Caribbean. Their goal is to establish Cuban-style, Marxist-Leninist dictatorships.

Last year, Cuba received 66,000 tons of war supplies from the Soviet Union—more than in any year since the 1962 missile crisis. Last month, the arrival of additional high performance MIG–23 Floggers gave Cuba an arsenal of more than 200 Soviet warplanes—far more than the military aircraft inventories of all other Caribbean

Basin countries combined.

For almost 2 years, Nicaragua has served as a platform for covert military action. Through Nicaragua, arms are being smuggled to guerrillas in El Salvador and Guatemala. The Nicaraguan Government even admits the forced relocation of about 8,500 Mosquito Indians. And we have clear evidence that since late 1981, many Indian communities have been burned to the ground and men, women, and children killed.

The Nicaraguan junta cabled written assurances to the OAS in 1979 that it intended to respect human rights and hold free elections. Two years later, these commitments can be measured by the postponement of elections until 1985, by repression against free trade unions, against the media, minorities, and in defiance of all international civility, by the continued export of arms and subversion to neighboring countries.

Two years ago, in contrast, the Government of El Salvador began an unprecedented land reform. It has repeatedly urged the guerrillas to renounce violence, to join in the democratic process, an election in which the people of El Salvador could determine the government they prefer. Our own country and other American nations through the OAS have urged such a course. The guerrillas have refused. More than that, they now threaten violence and death to those who participate in such an election.

Can anything make more clear the nature of those who pretend to be supporters of so-called wars of liberation?

A determined propaganda campaign has sought to mislead many in Europe and certainly many in the United States as to the true nature of the conflict in El Salvador. Very simply, guerrillas, armed and supported by and through Cuba, are attempting to impose a Marxist-Leninist dictatorship on the people of El Salvador as part of a larger imperialistic plan. If we do not act promptly and decisively in defense of freedom, new Cubas will arise from the ruins of today's conflicts. We will face more totalitarian regimes tied militarily to the Soviet Union—more regimes exporting subversion, more regimes so incompetent yet so totalitarian that their citizens' only hope becomes that of one day migrating to other American nations, as in recent years they have come to the United States.

I believe free and peaceful development of our hemisphere requires us to help governments confronted with aggression from outside their borders to defend themselves. For this reason, I will ask the Congress to provide increased security assistance to help friendly countries hold off those who would destroy their chances for economic and social progress and political democracy. Since 1947 the Rio Treaty has established reciprocal defense responsibilities linked to our common democratic ideals. Meeting these responsibilities is all the more important when an outside power supports terrorism and insurgency to destroy any possibility of freedom and democracy. Let our friends and our adversaries understand that we will do whatever is prudent and necessary to ensure the peace and security of the Caribbean area.

In the face of outside threats, security for the countries of the Caribbean and Central American area is not an end in itself, but a means to an end. It is a means toward building representative and responsive institutions, toward strengthening pluralism and free private institutions—churches, free trade unions, and an independent press. It is a means to nurturing the basic human rights freedom's foes would stamp out. In the Caribbean we above all seek to protect those values and principles that shape the proud heritage of this hemisphere.

I have already expressed our support for the coming election in El Salvador. We also strongly support the Central American Democratic Community formed this January by Costa Rica, Honduras, and El Salvador. The United States will work closely with other concerned democracies inside and outside the area to preserve and enhance our common democratic values.

We will not, however, follow Cuba's lead in attempting to resolve human problems by brute force. Our economic assistance, including the additions that are part of the program I've just outlined, is more than five times the amount of our security assistance. The thrust of our aid is to help our neighbors realize freedom, justice, and economic progress.

We seek to exclude no one. Some, however, have turned from their American neighbors and their heritage. Let them return to the traditions and common values of this hemisphere, and we all will welcome them. The choice is theirs.

As I have talked these problems over with friends and fellow citizens here in the United States, I'm often asked, "Well, why bother? Why should the problems of Central America or the Caribbean concern us? Why should we try to help?" Well, I tell them we must help, because the people of the Caribbean and Central America are in a fundamental sense fellow Americans. Freedom is our common destiny. And freedom cannot survive if our neighbors live in misery and oppression. In short, we must do it because we're doing it for each other.

Our neighbors' call for help is addressed to us all here in this country—to the administration, to the Congress, to millions of Americans from Miami to Chicago, from New York to Los Angeles. This is not Washington's problem; it is the problem of all the people of this great land and of all the other Americas—the great and sovereign republics of North America, the Caribbean Basin, and South America. The Western Hemisphere does not belong to any one of us; we belong to the Western Hemisphere. We are brothers historically as well as geographically.

Now, I'm aware that the United States has pursued good neighbor policies in the past. These policies did some good, but they're inadequate for today. I believe that my country is now ready to go beyond being a good neighbor to being a true friend and brother in a community that belongs as much to others as to us. That, not guns, is the ultimate key to peace and security for us all.

We have to ask ourselves why has it taken so long for us to realize the God-given opportunity that is ours. These two great land masses north and south, so rich in virtually everything we need—together our more than 600 million people can develop what is undeveloped, can eliminate want and poverty, can show the world that our many nations can live in peace, each with its own customs and language and culture, but sharing a love for freedom and a determination to resist outside ideologies that would take us back to colonialism.

We return to a common vision. Nearly a century ago a great citizen of the Caribbean and the Americas, José Martí, warned that, "Mankind is composed of two sorts of men, those who love and create and those who hate and destroy." Today more than ever the compassionate, creative peoples of the Americas have an opportunity to stand together, to overcome injustice, hatred, and oppression, and to build a better life for all the Americas.

I have always believed that this hemisphere was a special place with a special destiny. I believe we are destined to be the beacon of hope for all mankind. With God's help, we can make it so. We can create a peaceful, free, and prospering hemisphere based on our shared ideals and reaching from pole to pole of what we proudly call the New World.

Thank you.

Note: The President spoke at 12:37 p.m. in the Hall of the Americas at the Organization of American States Building. He was introduced by Ambassador Victor C. McIntyre of Trinidad and Tobago.

The address was broadcast live over the Voice of America system.

Remarks at a Ceremony Commemorating the 40th Anniversary of the Voice of America

February 24, 1982

The President. Thank you very much. I've just seen a little bit of the workings of your place and read even more of them on the remarkable job that was done on the recent worldwide broadcast. And I stand here filled with mixed emotions: For years now, I've been on the Late Late Show, and I don't know just what time I'm on the air now—[*laughter*]—and where.

But 40 years ago today, America opened up a crucial front in its war against the enemies of freedom. It was 79 days after Pearl Harbor, and the Nation was mobilizing all its resources in the epic struggle that by then had encircled the planet.

In those days, as now, truth was a vital part of America's arsenal. A spirited band of professionals, men and women dedicated to what their country stood for and anxious to do their part, began broadcasting from the fourth floor of a New York City office building. In those early days, under the able direction of John Houseman, programs were recorded on acetate disks and then shipped via bomber to England and Latin America for broadcast.

From this humble beginning, the Voice of America has grown into a respected institution of American communication, a global radio network broadcasting 905 hours weekly in 39 different languages.

Though born in war, the Voice of America continued in peace and has made enormous contributions. Today as we witness new forms of inhumanity threatening peace and freedom in the world, the Voice of America can perform an even more vital function. By giving an objective account of current world events, by communicating a clear picture of America and our policies at home and abroad, the Voice serves the interests not only of the United States but of the world. The Voice of America is for many the only source of reliable information in a world where events move very quickly.

Perhaps today I can outline a news story that you may be hearing about—or as I've already found out, many of you have heard about it already—and that was that a short time ago I announced at a meeting of the Organization of American States a new initiative promoting peaceful economic and political development in Central America and the Caribbean Basin. That area of the world was dramatically affected by the rising price of oil and the subsequent economic uncertainty of the last decade.

There are those who have sought to exploit this instability. We in the United States are concerned not only because of the proximity of those nations, but also because we've witnessed on too many occasions the suffering and oppression that invariably follow the establishment of Marxist dictatorships.

In the months and years ahead, the United States will work closely with friends in the Western Hemisphere like Mexico, Canada, Venezuela, to promote economic growth, social stability, and political freedom in the Caribbean Basin and in Central America. On our part, we intend to offer a bold new opportunity for social and economic progress. The centerpiece of the program is a free trade arrangement for Caribbean Basin products exported to the United States. This will encourage new economic development and a better life for the people of the area. Also included in the program are incentives for investment and further financial aid, technical assistance, also, for the area.

We will, furthermore, seek to encourage the democratic process in the region. All too often extremists from right or left have sought to undermine social and economic progress, hoping to impose their will by brute force. This mentality is unacceptable to the United States and the free peoples of the Americas. It has no place in this hemisphere.

The United States intends to continue its support to those who are struggling to establish democratic institutions. The Communist-dominated guerrillas of the region offer nothing but the same bankrupt ideas that have imprisoned the populations of Cuba and Vietnam, Afghanistan, and, yes, Poland.

On March 21st, free peoples around the world will join in observing Afghanistan Day. In marches, meetings, and rallies, they will express their support for the heroic freedom-fighters of Afghanistan in their brave struggle against Soviet aggression. I'm happy to say that the Voice of America will provide thorough international coverage of Afghanistan Day.

Today we celebrate this 40th anniversary of an institution that has given hope to the citizens of those Communist regimes and all the victims of tyranny. The challenges we face are no less grave and momentous than those that spawned the Voice 40 years ago. Freedom is no less threatened, and the opposition is no less totalitarian. In this struggle there's no greater weapon than the truth. Free men have nothing to fear from it. It remains the ultimate weapon in the arsenal of democracy.

Now, of course, I know there's a great deal of discussion about the truth, as if there are degrees to truth. Well, no, truth can be told—I remember my first experience, because more than 40 years ago, I was a pioneer in radio, a sports announcer, and I found myself broadcasting major league baseball games from telegraphed reports. I was not at the stadium. And a man on the other side of a window with headphones on and a typewriter would hear the dot and dash of the Morse code and type out and slip under the window. And knowing that there were six or seven other fellows broadcasting the same game—they did it that way in those days; you could take your choice of who you wanted to listen to—you had to keep right up with the play, even though you weren't there. So you'd get a little slip and it would say, "Out. Six to three." Well now, number six on a team is the shortstop—not on his bat; that's the numbered position. Number three is first base, so you knew that had to be a ground ball to the shortstop.

Now, if the game was rather dull, you could say, "It's a hard-hit ball down towards second base. The shortstop is going over after the ball and makes a wild stab, picks it up, turns, and gets him out just in time." [*Laughter*]

Now, I submit to you that I told the truth. [*Laughter*] He was out from shortstop to first, and I don't know whether he really ran over toward second base and made a one-hand stab, or whether he just squatted down and took the ball when it came to him. But the truth got there and, in other words, it can be attractively packaged. [*Laughter*]

Also, I should say, in those days of radio—my goodness, they're long-gone—when you had a sound-effects man in the studio and he had a wheeled cart, and on it he had every kind of device in the world for your radio dramas, from coconut shells that he beat on his chest to be a galloping horse—[*laughter*]—to cellophane he could crumple for a fire, and everything.

And one day—and I'm only telling this because it shows that there is still room here for initiative—one day we had a play that called for the sound of water falling on a board. Well, this poor fellow during all the rehearsals, he was working—he tried rice on a drum, he tried dried peas on a piece of cardboard, he tried everything, and nothing would give him the sound of water on a board. And finally one day he tried water on a board. [*Laughter*] And it sounded just like water on a board. [*Laughter*]

Well, we're justifiably proud that unlike Soviet broadcasts, the Voice of America is not only committed to telling its country's story, but also remains faithful to those standards of journalism that will not compromise the truth.

Recently, we celebrated the 250th birthday of George Washington. He understood the power of truth and its relationship to freedom. "The truth will ultimately prevail," he said, "where there are pains to bring it to light." Today we have this responsibility: bringing truth to light in a world groping in the darkness of repression and lies. Let us rededicate ourselves to the task ahead, and like the Founding Father, we can be confident that truth will prevail. And if truth prevails, freedom shall not perish from this Earth.

Thank you for all what you're doing, and God bless you.

Mr. Conkling. Mr. President, we'd like to ask you to stay for another moment. It's probably not the appropriate time to discuss our budgets with you—[*laughter*]—but we do have a great deal of antiquated equipment, and we need to do something about it.

This is a microphone. It was invented some time back during one of the wars, perhaps the Civil War. It is something we would like to present to you as a memento to remember us when budget time comes. [*Laughter*] We had it thoroughly scanned by security for fingerprints, and they found yours on there. [*Laughter*]

The President. Well, thank you very much. Thank you.

Mr. Conkling. I do think it is fair to read the inscription. "To President Ronald Reagan on your visit to the Voice of America's celebration of 40 years of international broadcasting on February 24th, 1982." It's yours.

The President. Thank you. This really dates me, I want you to know. [*Laughter*] I'm getting vengeance for those budget remarks—[*laughter*].

This was the third modernization in my radio days. [*Laughter*] We thought it was the newest and most fabulous thing in the world after an old carbon mike where every once in a while you had to turn the game down and then tap it with a pencil to separate the carbon crystals again. [*Laughter*] We welcomed this. And I welcome this and thank you all very much.

Note: The President spoke at 1:31 p.m. in the auditorium of the VOA headquarters building on Independence Avenue.

Prior to his remarks, the President toured the newsroom with Charles Z. Wick, Director of the International Communication Agency, James B. Conkling, VOA Director, and other VOA officials.

Nomination of Herman W. Nickel To Be United States Ambassador to South Africa

February 24, 1982

The President today announced his intention to nominate Herman W. Nickel to be Ambassador to the Republic of South Africa. He would succeed William B. Edmondson.

Mr. Nickel was a political reporter with the United States High Commission in Berlin (1951–53) and in 1956 was an escort-interpreter with the Department of State. He was head of the Research Unit of the Foreign Policy Association in New York, N.Y., in 1956–58. Since 1958 he has been with Time, Inc., successively serving as correspondent, Washington Bureau (1958); correspondent, London Bureau (1958–61); Africa correspondent, based in Johannesburg, South Africa (1961–62); correspondent, Bonn Bureau (1962–66); Bonn bureau chief (1966–69); senior diplomatic correspondent, Washington Bureau (1969–71); Tokyo bureau chief (1971–74); London bureau chief (1974–77); and, member of the board of editors of Fortune magazine (1977–81).

Mr. Nickel was born October 23, 1928, in Berlin, Germany, and became a naturalized United States citizen in 1958. He graduated (B.A.) in 1951 from Union College and in 1956 (J.D.) from Syracuse University College of Law. He has had numerous articles published in Time, Fortune, New York Times Magazine, and Foreign Policy.

Nomination of 10 Members of the Board of Directors of the Legal Services Corporation

February 25, 1982

The President today announced his intention to nominate the following individuals to be members of the Board of Directors of the Legal Services Corporation.

Howard H. Dana, Jr., of Cape Elizabeth, Maine, is a partner in the Portland, Maine, law firm of Verrill & Dana. Mr. Dana is 41 years old and is married, with three children.

Harold R. Demoss, Jr., of Houston, Tex., is a partner with the law firm of Bracewell & Patterson. He was born December 30, 1930.

William L. Earl, of Coral Gables, Fla., is currently a partner with the firm of Peeples, Earl, Moore & Blank in Miami, Fla. He was born July 11, 1943.

William F. Harvey, of Indianapolis, Ind., is a professor of law and former dean of Indiana University School of Law at Indianapolis. He is 49 years old.

Clarence V. McKee, of Washington, D.C., is counsel with the law firm of Pepper & Corazzini. He was born November 16, 1942.

William J. Olson, of Falls Church, Va., is currently a partner with the law firm of Smiley, Murphy, Olson & Gilman located in Washington, D.C. Mr. Olson is 32 years old and is married.

George E. Paras, of Sacramento, Calif., is currently in the private practice of law with the firm of Johnson, Greve, Clifford & Diepenbrock in Sacramento. He is 47 years old and is married, with two children.

Marc Sandstrom, of La Jolla, Calif., is the executive vice president of the San Diego Federal Savings and Loan. He is 46 years old and is married, with four children.

Annie Laurie Slaughter, of St. Louis, Mo., is director of operations, Annie Malone Children's Home, in St. Louis.

Robert Sherwood Stubbs II, of Waleska, Ga., is executive assistant attorney general for the State of Georgia. Mr. Stubbs is 59 years old and is married, with two children.

Note: Mr. Sandstrom's nomination, which was submitted to the Senate on March 1, was withdrawn by the President on May 18.

Statement by Assistant to the President for Communications David R. Gergen on the Consumer Price Index

February 25, 1982

Today's report on the latest Consumer Price Index marks another forward step in the struggle against the worst economic disease that America has suffered in recent years.

The decade of the 1970's will long be remembered as a period of rampant inflation—the worst inflation in our peacetime history. Inflation not only exacted a cruel toll on the incomes of the American people but also was at the heart of much of the stagnation that we experienced.

Since President Reagan came into office and set forward new economic policies, the Nation has made considerable headway against this threat. In January of 1981, the annual year-over-year inflation stood at 11.7 percent. With today's news, we can see that the annual inflation rate has been reduced to 8.4 percent—a cut of fully one-third.

Moreover, it is worth pointing out that in recent months, some other price indicators have shown that the inflation rate has been running even lower still.

It is anticipated that in coming months, there could be some volatility in these numbers. We should expect to see some months when inflation will be higher than in January. But the important message is that over the long haul, inflation is coming down, and that is very good news, indeed.

For a family of four at the poverty line (on a fixed income of $8,500 during 1981), the drop in the inflation rate during 1981 over 1980 meant a cash savings of some $255. For the average household with an average income (on a fixed income of $24,332 during 1981), the gains in the battle against inflation during 1981 meant an increase in spending power of some $730.

Note: Assistant to the President for Communications David R. Gergen read the statement to reporters at his news briefing in the Briefing Room at the White House.

Announcement of a United States-Jamaica Barter Agreement
February 25, 1982

Today the United States completed its arrangement on November 24, 1981, to procure 1.6 million tons of Jamaica bauxite for the United States strategic stockpile. The agreement, which was signed today by representatives of the United States and Jamaican Government in Jamaica, will benefit both countries as it stimulates the growth of Jamaica's private sector. The United States will receive needed bauxite for our strategic stockpile. Bauxite is the raw material used to produce aluminum, a major element in almost all modern military weapons, such as the F–15 fighter aircraft and the B–1 bomber.

Jamaica in return for its bauxite will receive approximately $39 million in needed foreign exchange plus about 7,000 metric tons of nonfat dry milk and 1,900 metric tons of anhydrous milk fat valued at $13 million. These dairy products are part of the agriculture barter aspects of this bauxite procurement, and they represent the first use of agriculture barter to acquire strategic raw material in almost 15 years. The other portions of bauxite will be procured by direct cash payment, as well as exchange with excess stockpile material no longer needed because of the changing requirements of technology. The procurement will be accomplished under current budget allocations.

This program, developed during the first year of the Reagan administration, is directly supportive of United States policy toward the Caribbean Basin announced by the President yesterday. The program also demonstrates that trade programs between the United States and Caribbean countries are mutually beneficial as will be the aid, trade, and investment aspects of the Caribbean Basin Initiative.

Executive Order 12348—Federal Real Property
February 25, 1982

By virtue of the authority vested in me as President by the Constitution and statutes of the United States of America, including Section 205(a) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 486(a)), in order to improve management of Federal real property, it is hereby ordered as follows:

Section 1. (a) There is hereby established a Property Review Board.

(b) The members of the Board shall be the Counsellor to the President; Director, Office of Management and Budget; Chairman, Council of Economic Advisers; Assistant to the President for Policy Development; Chief of Staff and Assistant to the President; Assistant to the President for National Security Affairs; and such other officers or employees of the Executive branch as the President may from time to time designate. One of the members of the Board shall be designated by the President as Chairman.

(c) Staff, including an Executive Director, and other administrative support shall be provided from resources available to the President.

Sec. 2. The Board shall perform such functions as may be directed by the President, including the following:

(a) develop and review Federal real property acquisition, utilization, and disposal policies with respect to their relationship to other Federal policies;

(b) advise the Administrator of General Services with respect to such standards and procedures for executive agencies that are necessary to ensure that real property holdings no longer essential to their activities and responsibilities are promptly identified and released for appropriate disposition;

(c) review and examine prior disposals of surplus property for public benefit discount conveyances to ensure that the property is being used and maintained for the purpose for which it was conveyed;

(d) receive the surveys and reports made by or to the Administrator of General Services pursuant to Sections 3 and 4 of this Order as well as other reports on Federal real property that are requested by the Board, with particular attention to resolution of conflicting claims on, and alternate uses for, any property described in those reports, consistent with laws governing Federal real property;

(e) provide guidance to the Administrator of General Services in accord with Section 6 of this Order;

(f) establish for each Executive agency annually the target amount of its real property holdings to be identified as excess; and

(g) submit such recommendations and reports to the President as may be appropriate.

Sec. 3. (a) All Executive agencies shall periodically review their real property holdings and conduct surveys of such property in accordance with standards and procedures determined by the Administrator of General Services pursuant to Section 206 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 487), and this Order.

(b) The head of each Executive agency, within 60 days of the date of this Order, shall report to the Administrator of General Services and the Board the agency's real property holdings which, in his judgment, are not utilized, are underutilized, or are not being put to optimum use.

(c) The head of each Executive agency shall identify, and report to the Board, all those properties which can be considered for disposition in response to the targets established by the Board in subsection 2(f) of this Order.

Sec. 4. The Administrator of General Services in consultation with the Board shall issue standards and procedures, conduct surveys, and cause surveys to be conducted, to ensure that the real property holdings of Executive agencies shall continually be evaluated with special emphasis on the identification of properties that are not utilized, are underutilized, or are not being put to optimum use. The Administrator shall consult with the Board and appropriate Executive agencies in order to (a) identify real property that is excess or surplus to the needs of the Executive agencies, and (b) make such real property available for its most beneficial use under the various laws of the United States affecting such property.

Sec. 5. The Administrator of General Services shall report to the Board with respect to any property or portion thereof which has not been reported excess to the requirements of the holding agency and which, in the judgment of the Administrator, is not utilized, is underutilized, or is not being put to optimum use, and which he recommends should be reported as excess property.

Sec. 6. Before the Administrator of General Services assigns or conveys property for public benefit discount conveyances, he shall first consult with the Board and consider such guidance as it may provide.

Sec. 7. The Administrator of General Services shall, to the extent permitted by law, provide necessary advice and assistance to the Board to accomplish the objectives of this Order.

Sec. 8. Executive Order No. 11954, as amended, is revoked.

RONALD REAGAN

The White House,
February 25, 1982.

[*Filed with the Office of the Federal Register, 4:58 p.m., February 25, 1982*]

Proclamation 4902—Save Your Vision Week, 1982

February 25, 1982

By the President of the United States of America

A Proclamation

The ability to see is precious. We depend on it for every waking moment. Most of us take this gift of sight for granted until it is threatened by disease or injury. There are, however, many things we can do to protect our eyes and prevent visual loss or impairment.

A very important sight-saving precaution is to have regular eye examinations by an eye care professional. Each year, checkups of this sort alert thousands of Americans to the fact that they have serious eye disease and should consider prompt treatment. For many, immediate attention to the eye problem saves vision that might otherwise be lost forever. This is particularly true for the more than one million people in this country who have diabetes. For years, diabetes has been the leading cause of blindness among middle-aged Americans. Now, however, there is a treatment that can help people with diabetic eye disease retain their vision. If all those who need help for this eye problem were to obtain treatment in time, thousands of cases of blindness could be prevented.

Children as well as adults can benefit greatly from regular eye examinations. A routine checkup may reveal some unsuspected eye problem that can be better corrected while a child is still young. Some of these childhood eye problems cause permanent visual loss if left untreated. Others remain correctable, but a delay in treatment may mean years of needless handicap in both schoolwork and play.

Protecting the eyes from injury is another important way to prevent visual impairment and even blindness. Safety glasses, goggles, or face shields should be worn in hazardous situations at work and while participating in potentially hazardous sports.

We should also remember that thousands blinded by corneal disease or injury could have their vision restored by corneal transplants if people would pledge their eyes at death to their local eye bank as a legacy of sight.

To encourage citizens of this country to cherish and protect their eyesight, the Congress, by joint resolution approved December 30, 1963 (77 Stat. 629, 36 U.S.C. 169a), has requested the President to proclaim the first week in March of each year as Save Your Vision Week.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate the week beginning March 7, 1982, as Save Your Vision Week. I urge all of our citizens to participate in this observance by making plans to take care of their own eyes and by considering what they can do to protect the vision of family members and co-workers as well. I also invite eye care professionals, the communications media, educators, athletic coaches, and all public and private organizations that support sight conservation to join in activities that will foster concern for eye care and eye safety.

In Witness Whereof, I have herunto set my hand this 25th day of Feb., in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 10:56 a.m., February 26, 1982*]

Note: The text of the proclamation was released by the Office of the Press Secretary on February 26.

Appointment of 26 Members of the Peace Corps Advisory Council, and Designation of Cochairpersons

February 26, 1982

The President today announced his intention to appoint the following individuals to be members of the Peace Corps Advisory Council. The President also announced his intention to designate Diana D. S. Denman and David L. Jones to be Cochairpersons.

Robert R. Barry, 66, is president of Calicopa Corp. and resides in Woodside, Calif.

Carol E. Belton, 54, is vice president, special marketing, for Tenneco Oil in Houston, Tex.

Maurice L. Burke, 58, is owner of M. L. Burke Co. in Union City, Calif.

Richard W. Carlson, 41, is senior vice president of San Diego Savings and Loan in San Diego, Calif.

W. Dewey Clower, 46, is president of Food Processing Machinery and Suppliers Association in Washington, D.C.

Holly Coors, 61, is active in Citizens for a New Beginning in Englewood, Colo.

Raymond E. Cross, 60, is president of Federal Chicago Corp. in Lake Forest, Ill.

Don De Fore, 68, is an actor in Los Angeles, Calif.

Diana D. S. Denman, 48, is a ranch and farm owner in San Antonio, Tex.

George K. Graeber, 66, is a business consultant with George Graeber Associates in Washington, D.C.

Alexander Hehmeyer, 71, is counsel with Isham, Lincoln, and Beale in Chicago, Ill.

Josephine Hong, 62, is chairman of the Chinese-American Republican National Federation in New York.

Van Dyck Hubbard, 71, is a retired captain with the United States Coast Guard. He resides in Los Angeles, Calif.

Alf Edgar Jacobson, 57, is professor, Department of Social and Behavioral Sciences, at Colby-Sawyer College in New London, N.H.

David L. Jones, 59, is president, D. L. Jones and Associates in New York, N.Y.

Tong Joon Anthony Kim, 47, is chairman of the New York State Korean-American Republican Federation in Brooklyn, N.Y.

Robert P. LeMarr, 52, is with LeMarr Limited in Phoenix, Ariz.

Maria Malooly, 43, is a regional political director for the Republican National Committee. She resides in Shorewood, Minn.

Peter F. McCloskey, 47, is president of Electronic Industries Association in Washington, D.C.

Mindy Meikeljohn, 52, is vice chairman of the Republican Party of Colorado. She resides in Arvada, Colo.

William J. Moshofsky, 58, was employed with Georgia-Pacific Corp. and resides in Portland, Oreg.

Joseph A. Plonski, 63, is owner of Plonski Agency in Jersey City, N.J.

Margaret P. Scott, 63, has been active in Republican Party politics on national, State, and local levels for over 20 years. She is from Los Angeles, Calif.

Edwin J. Simcox, 37, is secretary of state, State of Indiana. He resides in Indianapolis, Ind.

Paul A. Thiry, 77, is president of Thiry Architects, Inc., in Seattle, Wash.

Thomas N. Tripp, 39, is an attorney in Gahanna, Ohio.

Appointment of Edward V. Hickey, Jr., as Assistant to the President and Director of Special Support Services

February 26, 1982

The President today announced his intention to appoint Edward V. Hickey, Jr., to be Assistant to the President and Director of Special Support Services.

Mr. Hickey has been serving as Deputy Assistant to the President and Director of Special Support Services since January 20, 1981. Previously he served as acting counsellor for administration at the United States Embassy in London. Mr. Hickey served as senior regional security officer for the United States Embassies in the United Kingdom, Ireland, and Iceland in 1978–80; Assistant Director of the Office of Security at the Department of State in 1975–78; Executive Director of the California State Police in 1969–75; and was a special agent of the U.S. Secret Service in 1964–69.

Mr. Hickey graduated from Boston College (B.S., 1960). He served in the United States Army in 1954–56. Born in Dedham, Mass., on July 15, 1935, he is married to the former Barbara Burke of Boston. They have seven sons, ranging in age from 22 to 12, and they reside in Virginia.

Remarks at a Conservative Political Action Conference Dinner

February 26, 1982

Well, I wish it was a bigger room in there. But I assume that you're going to see and hear the festivities in here? I haven't been on prime-time television for years. [*Laughter*]

But anyway, I just want to thank you all for all that you've done. And your very presence here and your willingness to be in the overflow room is an indication of why we're going to keep on going until these things we've believed in so many years and fought for from the outside—we're going to make sure we're on the inside, and we're going to get them, and we're going to accomplish them.

I know we have to go in there so that dinner can continue and we can keep on schedule, but you know, I can't help but be a little—well, it's a little ironic and I'm a little amused that suddenly our opponents have developed a real conscience about political action committees. [*Laughter*] I don't remember them being that aroused when the only ones that you knew about were on their side. Now they're on our side; they want to do away with them. Well, they're not going to do away with you.

And God bless you all, and thanks.

[*The President spoke at approximately 8:15 p.m. to conference members in the East Room at the Mayflower Hotel. He then proceeded to the Grand Ballroom at the hotel, where he addressed the major portion of the conference at approximately 9:30 p.m. as follows:*]

Well, Nancy and I, Mr. Toastmaster, [Representative] Mickey Edwards, thank you very much for those very generous words—reverend clergy, ladies and gentlemen, we're delighted to be here at the ninth annual Conservative Political Action Conference.

Anyone looking at the exciting program you've scheduled over these 4 days, and the size of this gathering here tonight, can't help but be impressed with the energy and vitality of the conservative movement in America. We owe a special debt of gratitude to the staffs of the American Conservative Union, Young Americans for Freedom, Human Events, National Review, for making this year's conference the most successful in the brief but impressive history of this event.

Now, you may remember that when I spoke to you last year, I said the election victory we enjoyed in November of 1980 was not a victory of politics so much as it was a victory of ideas; not a victory for any one man or party, but a victory for a set of principles, principles that had been protected and nourished during years of grim and heartbreaking defeats by a few dedicated Americans. Well, you are those Americans, and I salute you.

I've also come here tonight to remind you of how much remains to be done, and to ask your help in turning into reality even more of our hopes for America and the world. The agenda for this conference is victory, victory in this year's crucial congressional, State, and local elections.

The media coverage that you've received this week, the attention paid to you by so many distinguished Americans in and out of government—conservative and not so conservative—are testimony to the sea-change that you've already brought about in American politics. But, despite the glitter of nights like this and the excitement we all still feel at the thought of enacting reforms we were only able to talk about a few years ago, we should always remember that our strength still lies in our faith in the good sense of the American people. And that the climate in Washington is still opposed to those enduring values, those "permanent things" that we've always believed in.

But Washington's fascination with passing trends and one-day headlines can sometimes cause serious problems over in the West Wing of the White House—they cause them. There's the problem of leaks. Before we even announced the giveaway of surplus cheese, the warehouse mice had hired a lobbyist. [*Laughter*]

And then a few weeks ago, those stories broke about the Kennedy tapes. And that caused something of a stir. Al Haig came in to brief me on his trip to Europe. I uncapped my pen, and he stopped talking. [*Laughter*] Up on the Hill, I understand they were saying, "You need eloquence in the State Dining Room, wit in the East Room, and sign language in the Oval Office." [*Laughter*] It got so bad that I found myself telling every visitor there were absolutely no tape recordings being made. And if they wanted a transcript of that remark, just mention it to the potted plant on their way out. [*Laughter*]

But Washington is a place of fads and one-week stories. It's also a company town, and the company's name is government, big government. Now, I have a sneaking suspicion that a few of you just might have agreed when we decided not to ask Congress for higher taxes. And I hope you realize it's going to take more than 402 days to completely change what's been going on for 40 years.

I realized that the other day when I read a story about a private citizen in Louisiana who asked the government for help in developing his property. And he got back a letter that said, "We have observed that you have not traced the title prior to 1803. Before final approval, it will be necessary that the title be traced previous to that year. Well, the citizen's answer was eloquent.

"Gentlemen," he wrote, "I am unaware that any educated man failed to know that Louisiana was purchased from France in 1803. The title of the land was acquired by France by right of conquest from Spain. The land came into the possession of Spain in 1492 by right of discovery by an Italian sailor, Christopher Columbus. The good Queen Isabella took the precaution of receiving the blessing of the Pope. . . . The Pope is emissary of the Son of God, who made the world. Therefore, I believe that it is safe to assume that He also made that part of the United States called Louisiana. And I hope to hell you're satisfied." [*Laughter*]

Now, changing the habits of four decades is, as I say, going to take more than 402 days. But change will come if we conservatives are in this for the long haul, if we owe our first loyalty to the ideas and principles we discussed, debated, developed, and popularized over the years. Last year I pointed to these principles as the real source of our strength as a political movement, and mentioned some of the intellectual giants who fostered and developed them—men like Frank Meyer, who reminded us that the robust individualism of America was part of deeper currents in Western civilization, currents that dictated respect for the law and the careful preservation of our political traditions.

Only a short time ago, conservatives filled this very room for a testimonial dinner to a great conservative intellect and scholar, author of the "The Conservative Mind," Russell Kirk. In a recent speech, Dr. Kirk has offered some political advice for the upcoming elections. He said now, more than ever, we must seek out the "gift of audacity." We must not become too comfortable with our new-found status in Washington. "When the walls of order are breached, the vigorous conservative must exclaim: Arm me, audacity, from head to foot." It was Napoleon, master of the huge battalions, who once said, "It is imagination that rules the human race." And Disraeli who mentioned that "success is the child of audacity."

We must approach the upcoming elections with a forthright and direct message for the American people. We must remind them of the economic catastrophe that we faced on January 20th, 1981: millions out of work, inflation in double digits for 2 years in a row, interest rates hovering at 21½ percent, productivity and the rate of growth in the gross national product down for the third year in a row, the money supply increasing by 12 percent—and all this due to one overriding cause: Government was too big and had spent too much money.

Federal spending, in the last decade, went up more than 300 percent. In 1980 alone, it increased by 17 percent. Almost three-quarters of the Federal budget was routinely referred to as "uncontrollable," largely due to increases in programs like food stamps, which in 15 years had increased by 16,000 percent, or Medicare and Medicaid—up by more than 500 percent in just 10 years. Our national debt was approaching $1 trillion, and we were paying nearly $100 billion a year in interest on that debt—more than enough money to run the entire Federal Government only 20 years ago.

In an effort to keep pace, taxes had increased by 220 percent in just 10 years, and we were looking at a tax increase from 1980 to 1984, already passed before we got here, of more than $300 billion. Unless we stop the spending juggernaut and reverse the trend toward even higher taxes, government by 1984 would be taking nearly one-quarter of the gross national product. Inflation and interest rates, according to several studies, would be heading toward 25 percent—levels that would stifle enterprise and initiative and plunge the Nation into even deeper economic crisis.

Well, we had to address this economic problem first. History tells us of great nations brought to their knees by unchecked inflation and wild government spending. Brooks Adams once put it this way: "Nature has cast the United States into the vortex of the fiercest struggle which the world has ever known. She has become the heart of the economic system of the age, and she must maintain her supremacy by wit and force or share the fate of the discarded."

At this point last year, much of the smart money in Washington was betting, as it is today, on the failure of our proposals for restoring the economy, that we could never assemble the votes we needed to get our program for economic recovery through the Congress. But assemble the votes we did. For the first time in nearly 25 years, we slowed the spending juggernaut and got the taxpayers out from under the Federal steamroller. We cut the rate of growth in Federal spending almost in half. We lowered inflation to a single-digit rate, and it's still going down. It was 8.9 percent for all of 1981, but our January figure at an annualized rate is only 3½ percent.

When they talk of what should be done for the poor, well, one thing alone, by reducing inflation, we increase the purchasing power of poor families by more than $250. We cut taxes for business and individuals and index taxes to inflation. This last step ended once and for all that hidden profit on inflation that had made the Federal bureaucracy America's largest growth industry.

We've moved against waste and fraud with a task force including our Inspectors General, who have already found thousands of people who've been dead for as long as 7 years still receiving benefit checks from the government. We've concentrated on criminal prosecutions, and we've cut back in other areas like the multitude of films, pamphlets, and public relations experts, or, as we sometimes call them, the Federal flood of flicks, flacks, and foldouts. [*Laughter*]

We're cutting the size of the Federal payroll by 75,000 over the next few years and are fighting to dismantle the Department of Energy and the Department of Education, agencies whose policies have frequently been exactly the opposite of what we need for real energy growth and sound education for our children.

Even now, less than 5 months after our program took full effect, we've seen the first signs of recovery. In January, leading economic indicators like housing permits showed an upturn. By 1983 we will begin bringing down the percentage of the gross national product consumed by both the Federal deficit and by Federal spending and taxes.

Our situation now is in some ways similar to that which confronted the United States and other Western nations shortly after World War II. Many economists then were predicting a return to depression once the stimulus of wartime spending was ended. But people were weary of wartime government controls, and here and in other nations like West Germany, those controls were eliminated against the advice of some experts. At first, there was a period of hardship—higher unemployment and declining growth. In fact, in 1946, our gross national product dropped 15 percent, but by 1947, the next year, it was holding steady and in 1948 increased by 4 percent. Unemployment began a steady decline. And in 1949 consumer prices were decreasing. A lot of the experts underestimated the economic growth that occurs once government stops meddling and the people take over. Well, they were wrong then, and they're wrong now.

The job of this administration and of the Congress is to move forward with additional cuts in the growth of Federal spending and thereby ensure America's economic recovery. We have proposed budget cuts for 1983, and our proposals have met with cries of anguish. And those who utter the cries are equally anguished because there will be a budget deficit. They're a little like a dog sitting on a sharp rock howling with pain, when all he has to do is get up and move. [*Laughter*]

On the spending cuts now before the Congress and those tax reductions we've already passed for the American people, let me state we're standing by our program. We will not turn back or sound retreat.

You know, if I could just interject here, some of those people who say we must change direction when we've only been on this new direction for 5 months—and it's only the first limited phase of the whole program—it was described pretty well by Mickey Edwards, sitting right here, while we were having dinner. He said, "If you were sliding downhill on a snowy hill, and you know there's a cliff down there ahead of you at the bottom and suddenly there's a road that turns off to the right," he said, "you don't know where that road to the right goes, but," he says, "you take it." [*Laughter*] We know where that other one goes. [*Laughter*]

In the discussion of Federal spending, the time has come to put to rest the sob sister attempts to portray our desire to get government spending under control as a hardhearted attack on the poor people of America. In the first place, even with the economies that we've proposed, spending for entitlements—benefits paid directly to individuals—will actually increase by one-third over the next 5 years. And in 1983 nondefense items will amount to more than 70 percent of total spending.

As Dave Stockman pointed out the other day, we're still subsidizing 95 million meals a day, providing $70 billion in health care to the elderly and poor, some 47 million people. Some 10 million or more are living in subsidized housing. And we're still providing scholarships for a million and a half students. Only here in this city of Oz would a budget this big and this generous be characterized as a miserly attack on the poor. [*Laughter*]

Now, where do some of these attacks originate? They're coming from the very people whose past policies, all done in the name of compassion, brought us the current recession. Their policies drove up inflation and interest rates, and their policies stifled incentive, creativity, and halted the movement of the poor up the economic ladder. Some of their criticism is perfectly sincere. But let's also understand that some of their criticisms comes from those who have a vested interest in a permanent welfare constituency and in government programs that reinforce the dependency of our people.

Well, I would suggest that no one should have a vested interest in poverty or dependency, that these tragedies must never be looked at as a source of votes for politicians or paychecks for bureaucrats. They are blights on our society that we must work to eliminate, not institutionalize.

Now, there are those who will always require help from the rest of us on a permanent basis, and we'll provide that help. To those with temporary need, we should have programs that are aimed at making them self-sufficient as soon as possible. How can limited government and fiscal restraint be equated with lack of compassion for the poor? How can a tax break that puts a little more money in the weekly paychecks of working people be seen as an attack on the needy?

Since when do we in America believe that our society is made up of two diametrically opposed classes—one rich, one poor—both in a permanent state of conflict and neither able to get ahead except at the expense of the other? Since when do we in America accept this alien and discredited theory of social and class warfare? Since when do we in America endorse the politics of envy and division?

When we reformed the welfare system in California and got the cheaters and the undeserving off the welfare rolls, instead of hurting the poor, we were able to increase their benefits by more than 40 percent. By reducing the cost of government, we can continue bringing down inflation, the cruelest of all economic exploitations of the poor and the elderly. And by getting the economy moving again, we can create a vastly expanded job market that will offer the poor a way out of permanent dependency.

So, let's tell the American people the truth tonight and next fall about our economic recovery program. It isn't for one class or group. It's for all Americans—working people, the truly needy, the rich and the poor.

One man who held this office, a President vastly underrated by history, Calvin Coolidge, pointed out that a nation that is united in its belief in the work ethic and its desire for commercial success and economic progress is usually a healthy nation, a nation where it is easier to pursue the higher things in life like the development of science, the cultivation of the arts, the exploration of the great truths of religion and higher learning.

In arguing for economy in government, President Coolidge spoke of the burden of excessive government. He said, "I favor a policy of economy, not because I wish to save money, but because I wish to save people. The men and women of this country who toil are the ones who bear the cost of the government. Every dollar that we carelessly waste means that their life will be so much [the] more meager. Every dollar that we save means that their life will be so much the more abundant. Economy is idealism in its most practical form." And this is the message we conservatives can bring to the American people about our economic program. Higher productivity, a larger gross national product, a healthy Dow Jones average—they are our goals and are worthy ones.

But our real concerns are not statistical goals or material gain. We want to expand personal freedom, to renew the American dream for every American. We seek to restore opportunity and reward, to value again personal achievement and individual excellence. We seek to rely on the ingenuity and energy of the American people to better their own lives and those of millions of others around the world.

We can be proud of the fact that a conservative administration has pursued these goals by confronting the Nation's economic problems head-on. At the same time, we dealt with one other less publicized but equally grave problem: the serious state of disrepair in our national defenses.

The last Democratic administration had increased real defense spending at a rate of 3.3 percent a year. You know how much inflation was, so they were actually losing ground. By 1980 we had fighter planes that couldn't fly, Navy ships that couldn't leave port, a Rapid Deployment Force that was neither rapid nor deployable and not much of a force.

The protection of this nation's security is the most solemn duty of any President, and that's why I've asked for substantial increases in our defense budget—substantial, but not excessive.

In 1962 President Kennedy's defense budget amounted to 44 percent of the entire budget. Ours is only 29 percent. In 1962 President Kennedy's request for military spending was 8.6 percent of the gross national product. Ours is only 6.3 percent. The Soviet Union outspends us on defense by 50 percent, an amount equal to 15 percent of their gross national product. During the campaign I was asked any number of times: If I were faced with a choice of balancing the budget or restoring our national defenses, what would I do? Every time I said, "Restore our defenses." And every time I was applauded.

So, let me be very clear. We will press for further cuts in Federal spending. We will protect the tax reductions already passed. We will spend on defense what is necessary for our national security. I have no intention of leading the Republican Party into next fall's election on a platform of higher taxes and cut-rate defense. If our opponents want to go to the American people next fall and say, "We're the party that refused to cut spending, we're the party that tried to take away your tax cuts, we're the party that wanted a bargain-basement military and held a fire sale on national security," let's give them all the running room they want. [*Laughter*]

There are other matters on the political agenda for this coming year, matters I know that you've been discussing during the course of this conference. I hope one of them will be our attempt to give government back to the people. One hundred and thirty-two Federal grants-in-aid in 1960 have grown to over 500 in 1981. Our federalism proposal, as Mickey Edwards told you, would return the bulk of these programs to State and local governments, where they can be made more responsive to the people.

We're deeply committed to this program, because it has its roots in deep conservative principles. We've talked a long time about revitalizing our system of federalism. Now, with a single, bold stroke, we can restore the vigor and health of our State and local governments. This proposal lies at the heart of our legislative agenda for the next year, and we'll need your active support in getting it passed.

There are other issues before us. This administration is unalterably opposed to the forced busing of schoolchildren, just as we also support constitutional protection for the right of prayer in our schools. And there is the matter of abortion. We must with calmness and resolve help the vast majority of our fellow Americans understand that the more than 1½ million abortions performed in America in 1980 amount to a great moral evil, an assault on the sacredness of human life.

And, finally, there's the problem of crime, a problem whose gravity cannot be underestimated. This administration has moved in its appointments to the Federal bench and in its legislative proposals for bail and parole reform to assist in the battle against the lawless. But we must always remember that our legal system does not need reform so much as it needs transformation. And this cannot occur at just the Federal level. It can really occur only when society as a whole acknowledges principles that lie at the heart of modern conservatism. Right and wrong matters, individuals are responsible for their actions. Society has a right to be protected from those who prey on the innocent.

This then is the political agenda before us. Perhaps more than any group, your grassroots leadership, your candidate recruitment and training programs, your long years of hard work and dedication have brought us to this point and made this agenda possible.

We live today in a time of climactic struggle for the human spirit, a time that will tell whether the great civilized ideas of individual liberty, representative government, and the rule of law under God will perish or endure.

Whittaker Chambers, who sought idealism in communism and found only disillusionment, wrote very movingly of his moment of awakening. It was at breakfast, and he was looking at the delicate ear of his tiny baby daughter, and he said that, suddenly, looking at that, he knew that couldn't just be an accident of nature. He said, while he didn't realize it at the time, he knows now that in that moment God had touched his forehead with his finger.

And later he wrote, "For in this century, within the next decades, will be decided for generations whether all mankind is to become Communist, whether the whole world is to become free, or whether in the struggle civilization as we know it is to be completely destroyed or completely changed. It is our fate to live upon that turning point in history."

We've already come a long way together. Thank you for all that you've done for me, for the common values we cherish. Join me in a new effort, a new crusade.

Nostalgia has its time and place. Coming here tonight has been a sentimental journey for me, as I'm sure it has been for many of you. But nostalgia isn't enough. The challenge is now. It's time we stopped looking backward at how we got here. We must ask ourselves tonight how we can forge and wield a popular majority from one end of this country to the other, a majority united on basic, positive goals with a platform broad enough and deep enough to endure long into the future, far beyond the lifespan of any single issue or personality.

We must reach out and appeal to the patriotic and fundamental ideals of average Americans who do not consider themselves "movement" people, but who respond to the same American ideals that we do. I'm not talking about some vague notion of an abstract, amorphous American mainstream. I'm talking about "Main Street" Americans in their millions. They come in all sizes, shapes and colors—blue-collar workers, blacks, Hispanics, shopkeepers, scholars, service people, housewives, and professional men and women. They are the backbone of America, and we can't move America without moving their hearts and minds as well.

Fellow Americans, our duty is before us tonight. Let us go forward, determined to serve selflessly a vision of man with God, government for people, and humanity at peace. For it is now our task to tend and preserve, through the darkest and coldest nights, that "sacred fire of liberty" that President Washington spoke of two centuries ago, a fire that tonight remains a beacon to all the oppressed of the world, shining forth from this kindly, pleasant, greening land we call America.

God bless you, and thank you.

Executive Order 12349—Amending the Generalized System of Preferences

February 26, 1982

By virtue of the authority vested in me by the Constitution and statutes of the United States of America, including Title V of the Trade Act of 1974 (88 Stat. 2066, 19 U.S.C. 2461 *et seq.*) as amended, and Section 604 of the Trade Act of 1974 (88 Stat. 2073, 19 U.S.C. 2483), and as President of the United States of America, in order to make technical corrections in Executive Order No. 11888, of November 24, 1975, as amended, and to make conforming modifications to the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202), it is hereby ordered as follows:

Section 1. Annex II of Executive Order No. 11888 of November 24, 1975, as amended, listing articles that are eligible for benefits of the GSP when imported from any designated beneficiary developing country, is further amended by deleting items 306.52, 385.45, 606.11, and 687.65 and adding item 687.72, in numerical sequence.

Sec. 2. In order to make technical corrections to the TSUS, headnotes 2(b) and 4 of subpart A, part 6 of schedule 7 of the TSUS are modified by deleting in each such headnote "and 740.10" and substituting "through 740.15" in lieu thereof.

Sec. 3. The amendments made by this Order shall be effective with respect to articles both: (1) imported on and after January 1, 1976, and (2) entered, or withdrawn from warehouse for consumption, on and after January 1, 1982.

RONALD REAGAN

The White House,
February 26, 1982.

[*Filed with the Office of the Federal Register, 11:20 a.m., March 1, 1982*]

Note: The text of the Executive order was released by the Office of the Press Secretary on February 27.

Letter to the Chairman and Members of the National Commission on Social Security Reform

February 27, 1982

Dear Chairman Greenspan and Commission Members:

As you convene for the first time today, the Nation will be watching with great interest the work and progress of the National Commission on Social Security Reform. As I wrote to you at the time you agreed to serve, I can think of no more important domestic problem requiring resolution than restoring the integrity of Social Security and to do so without penalty to those dependent on the programs.

Every American, of every age, has an important stake in the success of your work. Each of you comes to this Commission from a position in government or the private sector through which you can make possible the successful implementation of a truly bipartisan solution to this great national problem.

This Commission is the product of the leadership of both parties of both houses of the Congress as much as it is mine. Therefore, on behalf of all Americans I wish you success as you begin your deliberations.

Sincerely,

RONALD REAGAN

[Chairman Alan Greenspan and Members of the National Commission on Social Security Reform]

Proclamation 4903—Women's History Week, 1982

February 26, 1982

By the President of the United States of America

A Proclamation

American women of every race, creed and ethnic background helped found and build our Nation in countless recorded and unrecorded ways. As pioneers, teachers, mothers, homemakers, soldiers, nurses and laborers, women played and continue to play a vital role in American economic, cultural and social life. In science, business, medicine, law, the arts and the home, women have made significant contributions to the growth and development of our land. Their diverse service is among America's most precious gifts.

As leaders in public affairs, American women not only worked to secure their own rights of suffrage and equal opportunity but also were principal advocates in the abolitionist, temperance, mental health reform, industrial labor and social reform movements, as well as the modern civil rights movement. Their dedication and commitment heightened awareness of our society's needs and accelerated our common efforts to meet those needs.

As volunteers, women have provided invaluable service and leadership in American charitable, philanthropic and cultural endeavors. And, as mothers and homemakers, they remain instrumental in preserving the cornerstone of our Nation's strength—the family.

In 1981, the Congress by joint resolution (P.L. 97–28, August 4, 1981) designated the week beginning March 7, 1982, as "Women's History Week" and asked the President to issue a proclamation to commemorate and encourage the study, observance and celebration of the vital role of women in American history. In formally acknowledging the achievements of women, we honor a vital part of our common heritage.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim the week beginning March 7, 1982, as Women's History Week. Recognizing that the many contributions of

American women have at times been overlooked in the annals of American history, I encourage all citizens to observe this important week by participating in appropriate ceremonies and activities planned by individuals, governmental agencies, and private institutions and associations throughout the country.

In Witness Whereof, I have hereunto set my hand this 26th. day of Feb in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 11:21 a.m., March 1, 1982]

Note: The text of the proclamation was released by the Office of the Press Secretary on March 1.

Proclamation 4904—Termination of Increased Rates of Duty on Certain Mushrooms and Technical Corrections in the Tariff Schedules of the United States

February 27, 1982

By the President of the United States of America

A Proclamation

1. By Proclamation 4801 of October 29, 1980, the President proclaimed increased duties on certain types of mushrooms, prepared or preserved, provided for in item 144.20 of the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202). These increased duties were to be effective from November 1, 1980, through October 31, 1983, unless modified or terminated earlier. This action was taken under the following legal provisions: sections 202(b), 202(c), 203, and 604 of the Trade Act of 1974 (the Trade Act) (19 U.S.C. 2252(b), 2252(c), 2253, and 2483).

2. I have determined, pursuant to section 203(h)(4) of the Trade Act (19 U.S.C. 2253(h)(4)), after taking into account the advice of the U.S. International Trade Commission and after seeking the advice of the Secretary of Commerce and the Secretary of Labor as required by that section, that it is in the national interest to terminate the increased rates of duty currently in effect on imports of certain mushrooms now provided for in item 922.55 of the TSUS and to retain the increased rates of duties on imports of other mushrooms now provided for in that item.

3. I have further determined that certain technical corrections to the TSUS are necessary to embody therein, pursuant to section 604 of the Trade Act (19 U.S.C. 2483), the substance of relevant provisions of actions undertaken within the authority of the Trade Act; and that, pursuant to section 301, title 3 of the United States Code, responsibility for arranging for the certification by foreign government officials of "certified hand-loomed and folklore" products be assigned to the United States Trade Representative, and that pending completion of such arrangements, the detailed description contained in the definition of such products be removed from the TSUS. I have further determined that TSUS item 141.84, "kidney beans in airtight containers" established by Presidential Proclamation 4707 of December 11, 1979, has no classification effect since kidney beans were already provided for at a superior level in the classification hierarchy of the TSUS.

Therefore, pursuant to section 604 of the Trade Act (19 U.S.C. 2483), to make a technical correction to the TSUS, I have determined that TSUS item 141.84 should be deleted from the tariff schedules.

4. By Proclamation 4768 of June 28, 1980, the President modified the TSUS by adding numerous provisions to schedule 4 thereof for "products provided for in the Chemical Appendix to the Tariff Schedules" and by

adding a Chemical Appendix to the TSUS. This action was taken under the authority of section 503(a)(1) of the Trade Agreements Act of 1979 (93 Stat. 251). The Chemical Appendix lists chemicals and products which the President has determined were imported into the United States before January 1, 1978, or were produced in the United States before May 1, 1978. I have determined pursuant to section 604 of the Trade Act (19 U.S.C. 2483), that certain products included in the Chemical Appendix are properly classifiable in other items in schedule 4 of the TSUS, that their inclusion in the Chemical Appendix was a technical error of no classification effect, and that these products should therefore be deleted from the Chemical Appendix to the TSUS.

5. By Proclamation 4884 of November 13, 1981, the President proclaimed increased duties on certain high-carbon ferrochromium, provided for in TSUS item 607.31, effective through November 15, 1982. This action was taken under the authority of section 203 of the Trade Act (19 U.S.C. 2253). A technical error was made in incorporating these increased rates in the TSUS, in that the measure of assessment was incomplete.

6. By Proclamation 4887 of December 23, 1981, the President proclaimed import fees on certain sugars, sirups, and molasses, provided for in TSUS items 155.20 and 155.30. These import fees were imposed under the authority of section 22 of the Agricultural Adjustment Act, as amended (7 U.S.C. 624), and were made effective as of December 24, 1981. A technical error was made in incorporating these import fees in the TSUS, in that the measure of assessment was incomplete.

Now, Therefore, I, Ronald Reagan, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States, including sections 203 and 604 of the Trade Act (19 U.S.C. 2253 and 2483), section 22 of the Agricultural Adjustment Act, as amended (7 U.S.C. 624), and in accordance with Article XIX of the General Agreement on Tariffs and Trade (GATT) (61 Stat. (pt. 5) A58; 8 UST (pt. 2) 1786), do proclaim that—

(1) Part I of Schedule XX to the GATT is modified to take into account the actions taken in paragraphs (5) and (6) below and in the Annexes to this proclamation.

(2) The TSUS is modified as set forth in the Annexes to this proclamation.

(3) Annexes II and III to Presidential Proclamation 4707 of December 11, 1979, are amended as provided in Annex II to this proclamation.

(4) Annex II to Presidential Proclamation 4768 of June 28, 1980, is amended as provided in Annex II to this proclamation.

(5) Subpart A, part 2 of the Appendix to the TSUS is amended by inserting, in the columns titled Rates of Duty 1 and 2 of item 923.18, the symbol "¢" after "4.625" in each column. This modification is effective as to articles entered, or withdrawn from warehouse for consumption, on or after November 16, 1981.

(6) Part 3 of the Appendix to the TSUS is amended by inserting, in the column entitled Rates of Duty (Section 22 fees) for items 956.05, 956.15, and 957.15, the symbol "¢" after the numeral which precedes the word "per" in each such item. This modification is effective as to articles entered, or withdrawn from warehouse for consumption, on or after December 24, 1981.

(7) The modifications of Part I of Schedule XX to the GATT and of the Appendix to the TSUS made by Annex I hereto shall be effective as to articles entered, or withdrawn from warehouse for consumption, on or after March 1, 1982, and before the close of October 31, 1983, unless the period of their effectiveness is earlier expressly suspended, terminated, or modified.

(8) The remaining modifications made by paragraphs (1), (2), (3), and (4) hereof shall be effective as to articles entered, or withdrawn from warehouse for consumption, on or after the third day following publication of this proclamation in the *Federal Register.*

In Witness Whereof, I have hereunto set my hand this 27th day of Feb., in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United

States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 11:53 a.m., March 1, 1982*]

Note: The annexes to the proclamation are printed in the Federal Register *of March 2, 1982.*

The text of the proclamation was released by the Office of the Press Secretary on March 1.

Letter to Premier Zhao Ziyang of the People's Republic of China on the 10th Anniversary of the Shanghai Communique

February 28, 1982

Dear Mr. Premier:

Ten years ago today the United States of America and the People's Republic of China issued the Shanghai Communique. In the ensuing decade, and particularly since the establishment of full diplomatic relations between the two countries on January 1, 1979, our relations with your government and people have greatly expanded, and our contacts have embraced almost all areas of human endeavor.

Our bilateral ties now encompass trade, banking, maritime affairs, civil aviation, agriculture, educational and scientific exchange, technology transfer and many other fields. Well over one-hundred thousand Americans and Chinese now flow back and forth between the two countries each year, and our relations continue to develop through both people-to-people and diplomatic channels.

These concrete manifestations of good relations between the people of the United States and China are not only in the interests of the two countries; They enhance the prospects for peace and stability throughout the Asia-Pacific region, and beyond.

As we enter the second decade since the issuance of the Shanghai Communique, our desire is to build an even stronger bilateral and strategic framework for long term friendship between our two nations. It is appropriate for me, at this time, to reaffirm the positions agreed to by both sides in the Shanghai Communique and the Joint Communique on the Establishment of Diplomatic Relations between the United States of America and the People's Republic of China and to declare my government's willingness to work with our counterparts in Beijing to overcome differences and deepen U.S.-China ties.

On behalf of the American people, I extend the hand of friendship and warmest wishes to the government and people of China on this historic anniversary.

Sincerely,

RONALD REAGAN

[His Excellency Zhao Ziyang, Premier of the State Council of the People's Republic of China, Beijing.]

Esteemed Mr. President:

On the occasion of the tenth anniversary of the issuance of the Joint Communique in Shanghai by the People's Republic of China and the United States of America, I wish to extend, on behalf of the Chinese Government and people and in my own name, our cordial regards and good wishes to Your Excellency and the government and people of the United States.

The Joint Communique issued by China and the United States a decade ago was a historic document, which started the process of normalization of relations between China and the United States and subsequently led to the establishment of diplomatic relations between them. During this period, our two sides have had extensive contacts and exchanges in many fields, thus enhancing the understanding between the governments and deepening the friendship between the peoples. The development of Sino-U.S. relations is not only in the fundamental interests of our two peoples, but also conducive to the maintenance of peace and stability in Asia and the world as a whole.

Both the Chinese and American peoples hope that Sino-U.S. relations will continue to move ahead in the years to come. I believe that these relations will continue to develop so long as both governments adhere to the principles jointly established in the Shanghai Communique and the Communique on the Establishment of Sino-U.S. Diplomatic Relations and overcome the obstacles currently existing in the relations between the two countries. The Chinese Government is willing to make efforts together with the U.S. Government towards this end.

Sincerely,

ZHAO ZIYANG
Premier of the State Council of the People's Republic of China
Beijing, February 28, 1982

Note: The text of the letters was released by the Office of the Press Secretary on March 1.

Remarks at a White House Briefing on the State of Small Business
March 1, 1982

We just made another mistake we make too often in there—that's why I'm late. I apologize. We scheduled a meeting with Members of the Congress that was then to end in time for me to get here on time. And I have learned in this year and few months here that we should always leave an empty space behind a meeting with the Members of the Congress, because it'll always run over. [*Laughter*]

Well, thank you very much for a very warm welcome, and we're delighted you could all come for these briefings and for the signing of this first report on the state of small business. We'll be urging the Congress to read and act on the report, not bury it, and you have my pledge that small business will never be relegated to a back seat, not in this administration.

We're not members of that Washington fraternity that believes that profits for business are dirty, but profits for government should be guaranteed. Nor am I a pessimist, as you can see in the report. I happen to believe that with help from our program, small business will not only survive, but you'll lead us to economic recovery, and you will make this great country number one again. I have confidence in you and in our program, because I think the two of you were made for each other. Our program is about rebuilding America, and America is small business.

You know, I said last year that those who claim America has no heroes just don't know where to look. I think entrepreneurs are the forgotten heroes of America. Most of them contribute far more to this country than they get back, and they rarely receive the recognition they deserve. When you're talking about the strength and character of America, you're talking about the small business community, about the owners of that store down the street, the faithful who support their churches and defend their freedom, and all the brave men and women who are not afraid to take risks and invest in the future to build a better America.

Entrepreneurs have always been there as nation builders and community builders. From the beginning it was little people with big dreams who sparked the revolt against taxation and regulation and led the fight for our independence. They and future generations pushed back the frontier and developed our incredible land of plenty.

You know, when you stop to think, when we opened the West, it was a people that were willing to hitch up that wagon and start out across those prairies, bet the house and farm and all the family on the outcome. They didn't have an area redevelopment plan or urban renewal going for them, they just headed out there and said they'd make it. And always they were striving to create, to build, to succeed, and excel. Sometimes they failed, but in America you could pick yourself up and try again, a little wiser than you were the first time.

We got into trouble when we started turning our backs on this great heritage. We forgot that government should work for us rather than the other way around. Winston Churchill, I think, summed it up. He said that "some see private enterprise as a predatory target to be shot at, others as a cow to be milked. But few are those who see it as the sturdy horse pulling the wagon." Well, I believe the business community's been milked and shot at long enough. It's time to go back to common sense and set you free to do what you do best.

I just have to interject here a little incident that happened to me in the first real ranch that I ever—after dreaming of it—owned. So, I had 50 head of steers, grazer cattle there. And one day I got a notification from the State that I was to get them all in a corral, because the State veterinarians were going to come in and check them. I was in a brucellosis area.

Well now, brucellosis is a disease that affects cows' milk, none of which steers have. [*Laughter*] And so, at great effort and sweat we got them in the corral. And then they came, and every one of them had to be run into a squeeze chute for the examination and the shot. And I was kind of curious about this—[*laughter*]—and I said to the doctor, I said, "Well, tell me, if you found brucellosis here in any of them, what happens?" Well, then, he says, "You have to sell them." And I said, "Have to sell them?" He says, "Yes." He said, "It doesn't affect the beef. So," he said, "you'd sell them." And then he said, "You'd get $75 in State and Federal bonus for having to sell them."

And I said, "Wait a minute, let me get this straight." [*Laughter*] I said, "I sell them, and I get to keep the money I sell them for, plus $75 a head for every one that I sell?" And he said, "Yes." And I said, "I only have one more question. Where can I find a lot of cattle with brucellosis?" [*Laughter*]

You know, it's small business—to go on with my remarks—not the Federal Government, which creates four out of every five new jobs, employs more than half the work force, provides the livelihood for some 100 million Americans, and gives us new technology and real hope for our future—and that's not bad. It's small business, not the Federal Government, which can best rebuild our inner cities and help those at the bottom of the ladder begin their climb to the stars. And that's what the enterprise zones are all about.

Small business people produce big progress, and they deserve a "must-be-given priority" consideration in the making of economic policy. You and I know the root cause of our problems—government has been spending and taking too much of the gross national product for itself. Savings on the part of individuals have been lower in America than in any other industrial state. So, we haven't had the capital pool we need to finance government spending and still make funds available for home mortgages and business investment. We resorted to more and more borrowing, financed by too much easy money. Inflation and interest rates zoomed, and growth sputtered. The entire business community has been hurt. But small business is most vulnerable and has been hurt the most.

Last year, thanks to your support, we began the long overdue reforms that will lead us back to prosperity. The chorus of criticism we're now hearing rings a little hollow when you know the truth. We haven't slashed government spending. We just slowed it's growth by cutting nearly in half the inflationary increase in spending, which was at a rate of 17 percent a year in 1980. Nor have we cut our regulations. But under the leadership of Vice President Bush, I'm proud to say we've cut by a third the increase in new regulations.

And despite everything you hear, we didn't pass massive tax cuts. Our tax program will barely offset a built-in tax increase of some $300 billion condoned by my predecessor. Our tax program provides real help for the small business community, and I believe it will prove to be one of the best things we've done for our economy and our people. It's the first time in nearly 20 years that you've even had the hope of getting ahead.

Americans now have powerful incentives to save, which will replenish our capital pool and help bring down interest rates. The provisions for accelerated depreciation will benefit small business firms ranging from agriculture to construction—retailing, real estate, services, and wholesale. The 25-percent reduction in personal tax rates could easily be called a small business tax cut—at least 85 percent of all U.S. firms pay their taxes by personal rates, not the corporate rates. So, they have a real stake in that part of the program. And of special interest, I would think, to farmers and family businesses, the estate tax exemption will increase to $600,000 by 1987, and of even greater help, there will be no estate tax for a surviving spouse.

Now, some in the media have said the business community doubts the wisdom of our program. Well, since I know they never write or say anything that isn't true—[*laughter*]—I wondered if I might ask a few questions of all of you.

Federal spending tripled in the last decade alone. Would you agree that by trying to break runway spending, by trying to control the so-called uncontrollables, that we are doing the right thing and that we should stick to it? [*Applause*] I should have brought those Members of Congress with me. [*Laughter*]

Taxes on the people doubled between 1976 and 1981 and would have increased another $300 billion between 1981 and '84 except for our tax program. Would you agree that by trying to help working families keep their heads above water and not tax them like millionaires, that we are doing the right thing and that we should stick with it? [*Applause*]

Our program didn't even go into effect until after the recession had started. Obviously, it couldn't have been the cause of the recession as some would have you believe. The fact is when you compare the economy now with when we took office—inflation down dramatically, averaging about 4½ percent for the last 3 months; interest rates down 20 percent and headed lower; and the savings rate reversing its plunge of the last several years with even stronger incentives to save beginning in just this last January—would you agree that we are on the right road to recovery and that we should stick with it? [*Applause*] Thanks, I needed that. [*Laughter*]

We're still not where we want to be, but we're much closer than we were. But now we're asked in the name of compromise to deal away the people's tax cut even before they see it or enjoy it. Well, I believe we compromised enough when we delayed the tax cut to satisfy the Congress. If you'll remember, we originally asked that it start a year ago last January, and we had to delay it first to July and then to October to finally get the rest of the program. We cut it in half, the first installment. It was supposed to be 10 percent, and we cut it to 5. I believe that it's time for you and me and the American people to stand together and to tell the Congress, "No, you may not touch our tax cut."

We'll bring the deficit and the interest rates down, and we'll keep them down, but only by encouraging growth and reducing government's share of the gross national product. If we resort to that moth-eaten argument of raising taxes, we'll only destroy the incentives we need to stimulate savings and give government the excuse it needs to keep spending more than it should. It didn't work in the past, and it won't work now. So, I'm putting—not putting, I should say, my faith in higher taxes. I'm keeping it where it's always been, in people like you out there beyond the Potomac and the principles that you stand and strive for. And it's you who will rebuild America.

President Calvin Coolidge, a man I greatly admire, said, "In all our economic discussions we must remember that we cannot stop with the mere acquisition of wealth. The ultimate result is not the making of money, but the making of people. Industry, thrift, and self control are not sought because they create wealth, but because they create character." Well, you've lived the meaning of those words; you understand the challenge we face. It's the power of millions like you that will make America great again. We've come so far together, let's not stop now.

And now I have the pleasure of signing this report and transmitting it to the Congress: "The State of Small Business: A

Report of the President"—Monday, March 1st, 1982.

Thank God, and bless you all.

Note: The President spoke at 2:38 p.m. in the East Room at the White House to a group of small business leaders.

Annual Report to the Congress on the State of Small Business

March 1, 1982

To the Congress of the United States:

The success of the American economy is critically dependent upon preservation of real opportunity for small business. Historically, small business has provided much of the growth in jobs and innovation as well as being the supplier of services and deliverer of goods to virtually every farm, village, town and city in our nation. Although there are many definitions of small business, the one agreed upon by the 1980 White House Conference on Small Business was that of businesses employing 500 employees or less. Currently, approximately 15 million businesses, or 99 percent, of the total number of businesses fall into this category.

Small businesses are a complex mixture of a wide variety of ownership types, sizes and locations. Published statistics from the Internal Revenue Service show that most small businesses are sole proprietorships. Still, significant numbers of partnerships and corporations are also small. Bureau of the Census statistics show that small businesses appear in all industry categories: manufacturing, transportation, insurance, wholesale and retail trade, and every other kind of industry. Small businesses vary in size: many have no employees (reflecting either family-owned and operated or individually-owned and operated businesses); over two million have between one and 20 paid employees. They are located all across our nation; many are in our large cities but a significant portion are in small towns. In truth, our small businesses are as diverse and disparate as our population.

This Administration is committed to assuring unrestricted access for small business to all segments of our economy. By unleashing small business from the burdens of unnecessary taxation and regulation, we enable men and women small business owners to increase their contributions to our society's economic and employment growth. In addition, we will continue to help expand the opportunities of today's struggling business aspirants, disadvantaged ethnic and racial groups, and to blend their skills and abilities in creating a better life for themselves and a stronger America.

It is the objective of this statement to describe how this Administration is establishing an economic environment conducive to small business formation and growth. It first describes the economic contributions of small business. Second, it explores the foundations of this Administration's small business policies. And last, examines problems and policies of special interest to small business.

This statement draws from the accompanying *Report on Small Business and Competition* which contains data and information provided by the Small Business Administration.

I. The Role of Small Business in the Economy

The roots of the American economy are to be found in the history of small business. In America's early years virtually all businesses were small. It was not until the advent of the industrial revolution in this country that large businesses emerged to take advantage of economies of scale in production, distribution, and marketing. Since the 19th century, the share of our national output of goods and services accounted for by small business has declined. The decline leveled off during the 1950's, with small business responsible for producing just over half of all private production. In the early 1960's, small business' share began another decline, and today it is responsible for slightly less than half of the production of goods and services in our economy. Clearly, the recent turmoil experienced by our economy also has taken a toll on the fortunes of small business.

Despite these trends, small business plays a key role in the U.S. economy. The contributions of small business to innovation and employment have been particularly noteworthy. In 1976, research for the National Science Foundation showed small business had been a more prolific source of innovations per research and development dollar than medium or large business. Inventors have often chosen to market their innovations through small business. Small business is, after all, ideally suited for such ventures by virtue of its greater flexibility and greater willingness to assume substantial risks in the pursuit of potentially large rewards.

Most small firms are labor intensive, and over half of our labor force is currently employed by small businesses. Small businesses remain among the leaders in employment creation. According to research at the Massachusetts Institute of Technology, between 1969 and 1976, more than 86 percent of new jobs were provided by small businesses employing fewer than 500 employees. Some eighty percent of new jobs were provided by firms having 100 employees or less. Almost 66 percent of the new jobs were provided by businesses with fewer than 20 employees, and of the jobs provided by small businesses, 75 percent were attributable to firms that were less than five years old.

Small business has also played an important role in providing economic opportunities for minorities and women, both as employees and as entrepreneurs. Minority-owned business enterprises are predominately small businesses. Minorities control about 4 percent of all businesses and are concentrated in industries affording easy entry such as retail trade, services, and construction. Women control about 5 percent of all businesses and are also in those industries affording easy entry.

Given our nation's economic difficulties we cannot afford to ignore the resources and potential contributions of small business enterprises. Their innovative spirit, their flexibility to meet new challenges, are crucial to our economic progress. At the same time, the employment and entrepreneurial opportunities presented by this sector are too important to be less than fully realized. The bottom line is quite straightforward: America needs small business formation and growth.

II. The Foundations of Small Business Policy

The basic problem of the United States economy is that it is not growing fast enough. Since 1973, the U.S. economy has grown at a real rate of less than 2.4 percent, barely two-thirds of the 3.8 percent real growth rate experienced from 1950 to 1973, and far below the 4.5 percent rate achieved between 1962 and 1969. Why are we not growing? An important reason is that sources of growth have been obstructed by past Federal policy errors. Those errors involve the tax code and its interaction with inflation, the excessive appropriation of resources by the government, and distortions in the use of resources by unwise government intervention in the workings of the free market.

The fundamental tenets of small business policy are thus quite clear. Government should promote a strong, vibrant, private economy with policies that primarily rely upon free market forces to organize and allocate our economic resources. Economic growth and full employment must be restored while reducing inflation and interest rates, and, at the same time, Federal impediments to the free and efficient use of resources must be reduced or eliminated. The end result should be an economy characterized by free and open markets giving all of its participants the opportunity to contribute to, and share in, the high and rising standard of living such a system will produce.

The Economic Recovery Program

The cornerstone of our initiative for the small business sector is our four-part Economic Recovery Program. No other set of actions by this government is as likely to correct the errors of the past and have such a pervasive and lasting positive effect on small business. It consists of the following:

1. A cooperative effort with the inde-

pendent Federal Reserve Board to achieve a moderate and steady monetary policy to end inflation. Our goal is to reduce high interest rates and remove disincentives produced by the interaction of inflation with the tax code.
2. A regulatory reform program to reduce the inefficiencies and enormous costs that are holding back production and raising prices.
3. An incentive-oriented tax policy designed to increase work effort, saving, and investment.
4. A stringent budget policy designed to return resources to the private sector for investment and growth.

Monetary policy has been aimed primarily at reducing inflation. Our goal is a moderate and steady growth of the money supply at rates consistent with stable prices. The excessive money growth of the 1970's has left us with double digit inflation. That inflation has increased interest rates to record levels. Lenders have had to add an inflation premium to the real interest rate in order to protect their principal from erosion. They have also had to add a risk premium to compensate for the increased uncertainty of sharp and sudden policy changes and wild market swings such as have occurred in the past three years.

Generally high interest levels, coupled with wide swings in interest rates, have been a source of special concern for small business. More stable monetary policy is needed to make financial markets more predictable and to prevent discontinuities in the availability of capital. This will result in lower, less volatile interest rates.

Regulatory relief is needed to reduce unnecessary costs imposed by government. Government regulations, including paperwork, have become a major source of market interference, reducing competition and efficiency within most industries. Moreover, regulations often have disproportionately adverse effects on small businesses, and the result is all too frequently an impaired ability of small businesses to compete effectively.

Fiscal policy has been aimed at promoting real growth. Lower production costs and more goods on the shelves help combat inflation, but the main purpose of the tax and spending reductions is to improve the incentives to work, save, and invest. Over the years, inflation has destroyed incentives by raising marginal tax rates on individuals and businesses, thereby reducing the rewards to labor and capital. Both the business and personal tax reductions in the Economic Recovery Tax Act of 1981 (ERTA) are essential elements in restoring these rewards to promote growth.

Small business will benefit from the general individual *tax rate reductions* and the indexing of tax brackets after 1984. Millions of small businesses are partnerships, proprietorships and Subchapter S corporations, the income from which is taxed at personal rates. In addition, the personal rate reductions will help restrain increases in labor costs, a prime concern of labor intensive small businesses. Small businesses will benefit from other features of ERTA as well. Among the more important provisions will be the Accelerated Cost Recovery System, the ability to expense limited amounts of depeciable assets, increases in the Investment Tax Credit for used property, lower corporate tax rates for small businesses, increases in the allowance for accumulated earnings, and simplified last-in-first-out (LIFO) inventory accounting. The estate tax reductions in ERTA significantly enhance the ability of small, family-owned enterprises to be perpetuated beyond the present generation, instead of being liquidated to meet excessive estate tax obligations. Other important provisions include the expansion of the funding limitations of the Keogh Plan and individual retirement accounts (IRAs). These provisions are helpful to small business in that they allow for increased tax deductions for the more profitable businesses, and at the same time generate more capital for institutions to lend to small business.

Spending restraint is needed to return the real and financial resources now being absorbed by the government to the private sector for use in investment and growth. The capital needs of the private sector, and of small business in particular, have been squeezed by the growth of the government sector. The problem manifests itself most directly in the competition for funds in the credit market, where the growing deficits must be financed.

Deficits are the evidence of the deeper problem of growth of the public sector. When purchases and financial claims of government increase relative to Gross National Product (GNP), it means fewer real and financial resources are available for use by the private sector to expand capacity and production. Improving access of small business to needed resources requires curtailing this government preemption of the country's work force, capital goods, raw materials, and productive capacity, as well as credit. Government spending "crowds out" the private sector's access to these resources whether that spending is financed by taxes or borrowing.

III. Problems and Policies of Particular Interest to Small Business

Cyclical Sensitivity

By the very nature of their structure, resources, and to some extent the types of activities in which they participate, small firms tend to be highly susceptible to the ups and downs of overall economic activity. Small businesses have fewer resources than large businesses to survive cyclical downturns and are more likely to fail.

Return of economic growth, coupled with substantial moderation of inflation expected from implementation of our economic program, is therefore of particular interest to small business. In addition, reduction of the uncertainties associated with wide swings in Federal economic policy should result in a business climate more conducive to formation, growth, and success of small business ventures. Stabilization will pay dividends for us all but most particularly for small businesses because of their greater susceptibility to business cycles.

Inflation

For the men and women who own small businesses, inflation is a particularly serious problem. It earns this distinction essentially by exacerbating the other problems of small business, such as need for capital, the cost and availability of investment funds, and increased uncertainty concerning the behavior of the economy and the posture of economic policies. Small businesses often are in competitive markets where they tend to have little control over the costs they must pay and the prices they are able to charge, leaving them especially vulnerable to adverse price movements.

The economic program of this Administration should provide small business with relief from inflation in several ways. First, adherence to a policy of stable and limited monetary growth should eliminate the primary engine of inflation in our economy. Second, the improved incentives and reduced labor costs flowing from the reduction in Federal personal income tax rates should result in improved labor productivity, a matter of great importance to small businesses given their tendency to be labor intensive. Finally, help in controlling other costs of doing business will be derived from the elimination of unnecessary and inefficient regulatory burdens. Taken together, therefore, our policies should reduce the extent of the inflation problem at the same time the ability of small businesses to cope with the inflation problem is being enhanced.

Interest Rates

Interest rates are also a very serious problem for small business. High interest rates cause severe cash flow problems which are particularly threatening to small businesses. The heightened sensitivity to high and volatile interest rates stems from the tendency of many small businesses to be undercapitalized and/or to be facing substantial capital needs to finance growth. The volatility of interest rates associated with the higher levels also works a hardship by raising the risk associated with investment and growth. The cost of capital is a significant cost of production, and wide swings in interest rates are easily capable of producing ruinous cost structures for small businesses. Moreover, the deductibility of interest expense is of less help to small businesses since they frequently generate insufficient income (particularly new ones just starting up operations) to take full advantage of the tax deduction.

As stated earlier, the key to lower, steadier, interest rates is a consistently lower rate of inflation. When the inflation rate is high, interest rates are pushed up directly by the need for an inflation premium to protect the real value of the loaned funds. In addition, the economic instability suggested by the presence of high rates leads to a larger risk premium as well. Because interest rates are clearly influenced by inflation, and because the rate of inflation depends heavily upon the growth rate of money, major improvement is expected through our policy of moderate growth of money and credit. Short-term movements in interest rates may evidence little progress at first, as was illustrated early in the summer of 1981, but continued easing of inflation is evidence that conditions will improve as this policy is more firmly established.

Access to Capital

There are many impediments reducing access to adequate capital, and unfortunately some of these work to the particular detriment of small business. Saving in recent years has been depressed by the interaction of inflation and the marginal tax rates. Inflation pushes taxpayers into higher income brackets which are subject to progressively higher rates of taxation. The result has been reduced incentives to save and to work. Small business has suffered not only from the general lack of saving, but also because entrepreneurs have historically looked to family and friends to supply the equity investment funds used as seed capital to form new businesses. When saving becomes difficult, these sources are materially diminished.

Small businesses also operate under something of a handicap in the competition for business funds. As mentioned earlier, small size translates into somewhat greater vulnerability thus raising the risk associated with any given investment in a small business. In addition, economies of scale tend to preclude small business participation from the more impersonal mechanisms of our financial system. Registration requirements associated with the public issuance of stock, for example, can only be afforded if the cost is spread over a large number of shares. In the same vein, loans from insurance companies, large banks, and other major sources of investment capital are rendered less economic by the costly information requirements required by the prospective lenders. Access of small businesses to investment capital is thus frequently limited to individuals and small banks which have a personal relationship with the entrepreneur.

Unfortunately, depressed saving rates and limited access are not the only problems. The past tendency of the Federal government to rapidly expand its claims on resources caused either the reduced saving rates when those claims were financed by taxation, or became a direct, competing claim on available saving if financed through deficits. That is, deficits themselves absorbed funds that would otherwise have been available for investment, making all access points to the flows of financial capital less able to meet the demands placed upon them by the private sector. Since small businesses have had relatively few access points, their hardship has been particularly acute.

The most fundamental policy to improve small business access to capital is the reduction of the governmental claims on resources expressed in the drive to curtail government spending. Spending restraint is the key element since either high taxes or borrowing would reduce the resources available to the private sector for investment and growth.

Understanding the implications of the deficits projected for the next few years, however, is somewhat more complex. The deficit alone does not determine the amount of crowding out taking place in the financial market. What matters is the relationship between the deficit and the supply of savings needed to finance it. The first thing to note, therefore, is that the recently enacted tax reductions and the new higher Keogh Plan and IRA allowances will provide a powerful stimulus to saving. Business tax reductions for 1982, for example, will increase business saving; this is money that business will not need to borrow from financial markets. Personal tax reductions should promote substantial reallocation of income from consumption to saving, in addition to the normal saving increase from income growth alone. Year-over-year, there should be an increase in total private saving from 1981 levels in excess of 60 billion dollars.

The Economic Recovery Tax Act will improve small business access to capital in other ways as well. For example, the amount of earnings which may be retained in closely held corporations without being penalized by the accumulated earnings tax has been increased from $150,000 to $250,000. The change makes it possible for the men and women who own small firms to accumulate a larger amount of investment capital without incurring an accumulated earnings tax. Another feature of ERTA is an increase in the maximum number of shareholders in Subchapter S corporations from 15 to 25 plus allowance of certain kinds of trusts to be treated as shareholders in such corporations. The provisions strengthen the attractiveness and utility of the Subchapter S provisions.

Still, the pressing need among many businesses is for equity capital, not debt. Repayment burdens of large loans, regardless of whether government or private in origin, inhibit the growth and formation of new businesses, especially those owned by women and minorities.

We recognize the need that small business has for new mechanisms of constructive finance. We also recognize that some of the mechanisms available, such as participating debentures, may require accommodative tax changes if they are to be effective.

Federal economic and financial policy plays a crucial role in small business viability. Thus, it is important that Federal departments involved in these areas be consistently sensitive to small business needs. I am directing the Commissioner of the Internal Revenue Service to include representatives of small business in advisory groups which review administration of the tax system.

Changes in Federal policy affecting financial institutions will also take into account the impact on small business needs. The trend of Federal financial reform movements has been toward providing a broader array of sophisticated financial services from strengthened and modernized institutions of all types in a competitive and cost minimizing market. These reforms should continue to insure further gains in services for depositors and borrowers of all sizes, at lowest possible cost, throughout the country as well as in financial centers. The result may well be the creation of important new access points for small business to the flows of investment capital.

Tax Incentives

The Economic Recovery Tax Act seeks to provide incentives to increase asset purchases as well as to encourage employment growth. Small business has less than one-fourth of total business assets, but employs over one-half of the work force. Asset-based tax incentives will provide some direct economic stimulation to small business.

As noted earlier, general reductions in the marginal personal income tax rates and tax indexing will be beneficial for small businesses. Since most small firms are labor intensive, their cost structures should benefit as the impact of the tax reduction helps restrain increases in labor costs. By reducing, if not eliminating, bracket creep, indexing will also moderate employee wage demands. Improvements in wage cost pressures will be realized by big businesses as well, but the labor intensive character of small businesses means this provision will be even more important in their case.

Small business will also benefit from the Accelerated Cost Recovery System included in ERTA. The direct share of this benefit going into small business, while important, may be relatively small since these firms use less depreciable property per dollar of sales. On the other hand, to the extent small businesses are suppliers to large capital intensive firms (and in many cases are producers of depreciable assets themselves), the capital investment favoring provisions of ERTA should improve the market and profit positions of major parts of the small business sector, e.g. firms in the construction industry.

Within ERTA there is also an extensive list of special provisions targeted specifically to small business. Small businesses will benefit from the lower tax rates on the two lowest income brackets, the simplification of LIFO inventory accounting, the increased allowance for accumulated earnings, more liberal treatment of stock option plans, the liberalization of Subchapter S provisions, expanded expensing of depreciable assets, the larger allowance for the investment tax credit on used property, and the expanded funding allowances on Keogh plans and IRAs. And family-owned and closely held small business owners are assured of continuity of ownership through the liberalized estate and gift tax laws. The aggregate amounts of the tax relief afforded by these tax provisions can involve significant reductions in marginal tax rates and thus provide powerful incentives for growth and development.

Regulation

Major increases in business regulation began during the last decade. The Occupational Safety and Health Act, the National Environmental Protection Act, the Employee Retirement Income Security Act, and others, have served important national objectives but have also introduced distortions in the operations of the free market, impeded competition, and increased costs of the regulated businesses. Most of these regulations have stipulated the same compliance requirements for small business as for large corporations. The relative burden is much greater, however, because compliance costs cannot be spread out over larger quantities of output. In short, small business has found itself at a competitive disadvantage because of the existence of efficiencies of scale in regulatory compliance.

The problem is a particularly difficult one. On the one hand, regulations frequently address important social objectives which cannot be dismissed lightly. On the other hand, their application to small business is frequently of only marginal importance to the social objectives involved, or they are applied in ways which are inappropriate in a small business context.

Nevertheless, difficult as the job may be, this Administration is committed to a major effort in regulatory reform. The problem has been approached with a two-pronged effort: regulatory relief and use of regulatory flexibility. So far regulatory relief has been the major policy tool. During this first year, regulatory relief has been actively pursued in every regulatory agency and the number of new regulations issued has been significantly reduced.

The Presidential Task Force on Regulatory Relief has announced a number of existing regulations for in-depth Federal agency review which are considered by small businesses to be most onerous. Agencies will be expected, following their review, to propose changes in these regulations in order to lessen the regulatory burden on America's small businesses. It also is timely to accelerate the review of all existing regulations imposed on the business sector to determine whether maximum flexibility is being provided to accommodate the uniqueness of small businesses. Legislation enacted by the last Congress, the Regulatory Flexibility Act, provides the mechanism for undertaking this effort. The objective will be to assure that existing regulations do not unnecessarily impede growth and development of small businesses. At the same time, we will keep in place those regulations that are beneficial to society—such as health and safety in the work place, and a healthy environment.

Full utilization of the provisions of the Regulatory Flexibility Act will be a principal theme of our regulatory reform efforts over the next three years. I will direct each Federal department and agency to accelerate the time for completion of the review of existing regulations as specified in the Regulatory Flexibility Act from ten to five years.

Regulatory flexibility may not be adequate to deal with the regulatory relief efforts that we have already launched in the areas of banking and finance. It is important that the interests of small business be given special attention. I am directing the Controller of the Currency and asking the Chairs of the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation, and the Federal Reserve Board to follow the Regulatory Flexibility Act guidelines for assessing the small business impact of their proposals for changing our financial institutions.

The Securities and Exchange Commission has already established an admirable record of proposing regulatory reform that will allow small business men and women to meet their equity capital needs more cheaply and easily through the issuance of equity securities. I encourage them to continue their activities.

In summary, four economic problems plague small business, cyclical sensitivity, inflation, interest rates and access to capital. We addressed these problems with our four-part Economic Recovery Program: Federal spending cuts, tax reforms, regulatory relief and stable monetary policy. The results are beginning to show—substantial decline in inflation, a start toward long-term decline in interest rates and increases in savings to expand the supply of capital. This is not the time to deviate from our program. We are breaking the back of stagflation. We have a solid economic program and we reject pleas for "quick fixes" like those used in the past. Our program will pull us out of this slump and put us on the road to prosperity and stable growth by the latter half of this year.

Antitrust

Small businesses rely upon the free functioning of markets to compete and prosper. Our antitrust laws—the Sherman and Clayton Acts—protect the competitive markets upon which our free enterprise system is based. The ability of our economy to remain free of illegal and anticompetitive practices is properly a major concern of small business.

Frequently, levels of concentration are considered an inverse barometer of the health of competition and the small business community. The concentration problem, however, may be somewhat less than meets the eye. One type of concentration, aggregate concentration (the extent to which productive assets, across all industries, are held by a limited number of firms of large size), has not been adequately documented because the statistics are less than perfect reflections of the exercise of control over establishments across industrial groupings.

Another type of concentration, market, or industrial, concentration (the extent to which total sales of a particular industry are concentrated in several or a few producers), may occur naturally where producers find economies of scale in production, distribution or marketing. History also reveals that market concentration has waxed and waned in many industries depending upon developments in technology.

There are numerous weaknesses in the statistics bearing on the concentration question. For one thing, they vary tremendously from industry to industry; the service sector is highly unconcentrated but growing, while the manufacturing sector is more concentrated and shrinking (as a share of GNP). Generalizations about market power are therefore quite difficult. Existing statistics on concentration ratios also tend to focus on manufacturing, ignoring the service, construction, and other sectors where small businesses predominate.

At the theoretical level it is also legitimate to question whether concentration ratios are, in fact, reasonable indicators of the degree of market power being wielded by the participants. Market power is, after all, determined by the availability of acceptable substitutes, barriers to entry, and the practical geographic limits of the market area. The sole dry-cleaner in a small remote town, for example, could conceivably excercise more market power than a major auto manufacturer facing international competition. In the final analysis then, it must be recognized that concentration ratios tell us very little about the competitiveness of the markets within which small businesses operate.

Antitrust policy in general, and particularly merger policy, is the specific context in which the Federal government protects the economy from illegal combinations of market power. The interests of small business are best served by an economically sensible and clearly stated merger policy that carefully examines each specific transaction, and inhibits those transactions that clearly threaten to restrain competition. The Attorney General will vigorously prosecute anticompetitive behavior—including, where appropriate, the use of criminal sanctions—to protect competition and eliminate artificial barriers to entry. To the extent that Federal antitrust enforcement can influence competition, this Administration will use its enforcement powers consistently and without hesitation.

This Administration also recognizes that there is a variety of economic and governmental factors which contribute to the competitive capability of small business and perhaps influence the levels of concentration observed in the economy. Tax, regulatory, and fiscal policies appear particularly critical, and are areas over which the Federal government has major influence. Our primary mission in restoring a healthy economy and the premium for hard work and entrepreneurship, is to ensure that the unconcentrated small business sectors can continue to grow.

Research and Development, and Innovation

Innovation by independent, small firms is central to a natural reduction of industrial concentration. The Federal government is the largest single purchaser of industrial research and development in our economy. Until recently, government purchased more research and development than all other buyers combined.

In its pursuit of efficiency in research and development procurement, the government has gradually concentrated its purchases in larger firms and universities. As government budgets have become tighter, procurement officers have found it more immediately efficient to spend research and development funds in fewer large contracts rather than many small contracts. At a minimum, we need to assure that the internal efficiency achieved by such procurement practices are justified since the continuation of these practices will inevitably lead to increasing market concentration, at least among suppliers of contract research and development. Last fall, I indicated my support for Senate Bill 881, the Small Business Innovation Research Act, as it was passed by the Senate. I call upon Congress to pass this Bill for my signature this year.

For small business firms, cash availability is a serious limitation on the amount of research and development they can undertake. The Economic Recovery Tax Act provides an incentive for research and experimentation by allowing a 25 percent tax credit for certain research and experimentation expenditures in excess of a three-year moving average base period. The credit will be in addition to the immediate expensing or 60 month amortization of research and experimentation expenditures permitted under present law. Thus, small businesses' ability to finance their own programs should be materially improved.

I have also requested the Attorney General to examine antitrust laws to ensure that they do not interfere with the ability of patent and copyright holders, including those in the small business sector, to reap the proper rewards for their innovative contributions.

Federal Procurement

The phrase "industrial policy" has come to mean some form of elaborate industrial planning. But our industrial policy is one of establishing and maintaining competitive markets. We remain convinced that this policy will encourage and support the viable small business sector of our economy. Consistent with this philosophy, the Administration is taking steps to encourage competition in the Federal sector.

Government Policy of Not Competing with Private Industry

The Administration has made a major priority the policy of withdrawing wherever possible from competition with private industry in providing goods and services to be used by the Federal Government. Activities of all departments and agencies are being examined to see which can be converted to the private sector. For instance, in a review of 440 activities conducted by military departments, it was found that 264 of these, or 60 percent, could be turned over to private enterprise. As these and other requirements are filled by the private sector rather than government itself, a principal beneficiary will be small business.

Prompt Payment on Government Contracts

The Administration is taking action to ensure that payments are made promptly to Federal contractors. Small business contractors are least able to wait for payment and will gain the most from prompt payments by the government. Accordingly, we have directed that all government contracts contain clear and specific instructions as to the procedure to be followed to obtain prompt payment. Further, contracts must now state precisely when the contractor can expect to be paid. Additionally, one of the criteria we will be using to evaluate Federal employees who are involved in the payment process will be their performance in paying government vendors promptly. Again, the Administration strongly believes that Federal contract payments should be made on time. Also, we agree with the basic concept of authorizing through law the payment of penalty interest when the government unreasonably delays payment of a bill.

Export

Export trade plays a vital role in our economy. In part, it brings social benefits of our society's technology to other nations of the world and it also benefits our people with increased employment and returns to investment and helps pay for our imports. Unfortunately, small business has not participated in this activity to the fullest possible extent. Thus, our existing foreign trade promotion efforts must be more conscientiously targeted to small businesses, to assist them in access to foreign markets. I am directing the Department of Commerce in cooperation with the Small Business Administration to emphasize programs that encourage export promotion among small businesses.

Equal Business Opportunity

This Administration is committed to pursuing unrestricted access for all business persons to all segments of the economy. Clearly, women and minority community members represent the largest underutilized resource of economic activity in our nation today. We are committed to unleashing this potential by removing barriers to their participation in business ownership.

Capital availability for women and minority entrepreneurs continues to be a significant problem. This problem is being addressed at least partially by the Federal Trade Commission's recent actions to strengthen enforcement of the Equal Credit Opportunity Act.

Success of minority and women-owned business is dependent upon access to resources and knowledge of business management methods. The government has traditionally assisted minority and women business owners with management and technical assistance to help overcome social and prejudicial barriers.

In recognition of the importance of the minority business assistance programs, we have increased the program levels for SBA's Minority Small Business program and the Commerce Department's Minority Business Development Agency for fiscal year 1982 as compared to fiscal year 1981. In addition, we are proposing to Congress that these program levels be maintained in fiscal years 1983 and 1984. This includes activities such as financing for Minority Enterprise Small Business Investment Companies (MESBICs). In addition, the SBA will direct a larger portion of its guaranteed loans toward minority business owners.

We intend to expand the level of services delivered to the minority business community by improving the quality and effectiveness of service. To accomplish this, the Cabinet Council on Commerce and Trade is reviewing all government assistance programs for minority business to determine how they can be made more efficient and effective.

This Administration is dedicated to the systematic elimination of regulatory and procedural barriers which have unfairly precluded women from receiving equal treatment from Federal activities, including those activities affecting the opportunities of women in business. The Attorney General is systematically reviewing Federal laws and regulations in order to identify gender-based discrimination. He shall, on a quarterly basis, report his findings to me through the Cabinet Council on Human Resources. The Task Force on Legal Equity for Women, which I created recently by Executive Order, will then be responsible for implementing changes ordered by me.

In addition, we will ensure that the Women's Business Enterprise program in the Small Business Administration remains an effective and vital force advocating on behalf of present and potential women business owners. Also, the SBA's Office of Women's Business Enterprise will emphasize equal credit opportunity for women business owners.

Small Business Data Base

Finally, it is apparent that the small business sector remains poorly documented in statistical data. Existing Federal data derived from administrative records and data collection agencies are simply not adequate for policy analysis and decision making. Yet, we are committed to reducing the paperwork burden of small businesses and therefore reject any proposal to add data collection mechanisms to those currently in existence. At the same time, existing Federal data may be better organized and coordinated among agencies to help build a data base more suitable for small business policy making. To this end, the proposal for Federal agencies to compile statistics on business size on a comparable basis will enhance analyses of the small business sector. We are planning for agencies to provide business size data on this uniform basis. Analysis of the small business sector would also be furthered by sharing of selected data among statistical agencies, and we are examining ways of accomplishing this within the constraints of privacy and confidentiality requirements.

SBA's data base, which is drawn from commercially available data, places no additional paperwork burden upon small business, allows maintenance of confidentiality commitments to small business, and provides policy relevant data. Thus, this data base must be continued and we have given it priority in our 1983 budget proposals. I am asking the Congress to enact my budget proposal for SBA's small business data base. Also, I am requesting the SBA to increase the resources allocated to this work and to include minority and women-owned business data within its data base.

IV. Summary and Conclusions

In conclusion, the importance of the small business sector cannot and should not be ignored. For me, small business is the heart and soul of our free enterprise system. The small business sector has played, and continues to play, an important part in providing innovative drive and employment growth in the American economy. To help small business realize its full economic potential, this Administration is pursuing an economic policy aimed at getting the American economy growing again, together with programs designed to assure unrestricted access by everyone to economic resources and markets.

The essential parts of such an economic program are already in place. An effective mechanism for achieving regulatory reform has already been established. A policy of stable, moderate, monetary restraint must be followed. A fiscal policy calling for budgetary restraint coupled with important new tax incentives for work, saving, and investment is being put into practice. Moreover, within the context of this four-part program, the major problems of particular interest to small business are being effectively addressed. These problems range from inflation, high interest rates, access to capital, and regulation to research and development, export and equal business opportunities.

This statement and the following report are the first presented to Congress as required in Title III of Public Law 96–302. It has been prepared to meet both the letter and intent of the law and provide a comprehensive description of the state of small business. It is hoped the report will establish a spirit of cooperation with Congress to assist us in jointly pursuing economic growth and prosperity through our mutual recognition of the importance of small business in America.

RONALD REAGAN

The White House,
March 1, 1982.

Note: The report is printed in "The State of Small Business: A Report of the President—Transmitted to the Congress March 1982, Together With the Annual Report on Small Business and Competition of the U.S. Small Business Administration" (Government Printing Office, 365 pages).

Proclamation 4905—National Construction Industry Week, 1982

March 1, 1982

By the President of the United States of America

A Proclamation

The construction industry is one of the largest sectors of the economy of this nation, providing jobs for five percent of our workforce. Over the decades, this industry has played a vital role in our lives, helping us meet the need for more homes, schools, hospitals, roads, subways, factories, and recreation facilities. The American construction industry has always met the challenge, supplying us with the highest quality craftsmanship in the world and pioneering countless advances in the field.

Construction labor and management alike have historically taken pride in their spirit of rugged individualism, a spirit that has enabled them to overcome the adversities imposed upon a seasonal and cyclical industry.

Because of its unique nature, however, the construction industry is also unusually affected by downturns in the economy. It is with pride that I salute the hearty individuals who persevere in the face of tough obstacles, and I reiterate my commitment to revitalize the construction industry and bring it back to an environment of prosperity.

The Congress has, by Senate Joint Resolution 122, demonstrated its commitment by requesting me to designate February 28 through March 6, 1982, as National Construction Industry Week.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim February 28 through March 6, 1982, as National Construction Industry Week. I call upon the people of the United States and all Government agencies to observe the week with appropriate programs, ceremonies, and activities.

In Witness Whereof, I have hereby set my hand this first day of March, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 10:35 a.m., March 2, 1982*]

Appointment of William F. Sittmann as Special Assistant to the President

March 1, 1982

The President today announced his intention to appoint William F. Sittmann to be Special Assistant to the President and special assistant to Michael K. Deaver, the Deputy Chief of Staff.

Before joining the President's staff, Mr. Sittmann was in the Foreign Service at the Department of State as management analyst to both the Executive Director and Assistant Secretary for Administration. He has been administrative coordinator on various Presidential overseas trips, most recently the economic summits in Cancún and Venice.

In addition, he has served in the Office of Protocol as visit officer and was responsible for the coordination of all official and state visits by foreign heads of government and in the Office of Security as a Special Agent for Dignitary Protection.

He is a graduate of the University of Richmond. He was born in Decatur, Ind., on February 20, 1949.

Appointment of Virgil E. Brown as a Member of the Presidential Advisory Committee on Federalism

March 1, 1982

The President today announced his intention to appoint Virgil E. Brown to be a member of the Presidential Advisory Committee on Federalism. He would succeed J. Richard Conder.

Since January 1979, Mr. Brown has been serving as a commissioner of Cuyahoga County, Ohio. He has been serving as president of the board of commissioners since November 1980. He was director of Cuyahoga County Board of Elections in 1972–1979. Prior to that, he was city councilman, ward 25, in 1967–72.

Mr. Brown is married, has two children, and resides in Cleveland, Ohio. He was born August 12, 1917.

Statement by Deputy Press Secretary Speakes on Natural Gas Decontrol

March 1, 1982

The President announced today that he will not ask Congress to accelerate the current schedule of partial natural gas decontrol at this time. After extensive consultation with congressional leaders and groups representing producers and consumers, the President concluded that much-needed changes to the Natural Gas Policy Act of 1978 would overload an already heavy legislative agenda.

In making this announcement, the President stressed that natural gas decontrol remains an essential component of a sound energy policy.

Remarks at a Rally for Senator Malcolm Wallop in Cheyenne, Wyoming

March 2, 1982

Mr. Mayor, officials and officers of your State government, Senator Simpson, Congressman Dick Cheney, my old friends Governors Hansen and Hathaway, members of the State legislature, Republican State chairman, your National Committee members, and the man that we're here to honor today and to pledge our support to, Senator Malcolm Wallop:

Malcolm, I thank you very much for those very generous and kind words. Why doesn't the Washington Post write like that? [*Laughter*]

It's not only a great pleasure to be with you this afternoon, it's something of a relief. Whoever said the worst place to get a perspective on America is Washington, D.C., was absolutely right.

But, you know, before I go on, I have to tell a little story here. As that plane was coming in to land and I was looking out, suddenly my memory went way back—and I mean way back. I was a sports announcer, Des Moines, Iowa, WHO. And one day I received an offer of a contract at a studio in Hollywood. And so, I packed up in an old Nash Lafayette convertible everything that I owned in the world and took off in the morning from Des Moines. And my first stop that night was Cheyenne, Wyoming.

I checked in at a hotel. I had dinner, and then I went to a movie. And the movie just happened to be a thing called, "A Star is Born." Not the remake, the first time they'd made it. [*Laughter*] And those of you who might have seen it remember that it was a picture about the horrors and the vicissitudes of someone trying to get started in Hollywood. I didn't sleep very well that night. [*Laughter*] I almost turned around and went back the other way.

But to get back to the subject at hand. You know you don't have to spend much time in Washington to appreciate the prophetic vision of the man who designed all the streets there. They go in circles. [*Laughter*]

I've been looking forward to coming home to the great American West. While Washington, as usual, seems paralyzed by handwringers, the people here are filled with just what Malcolm was talking about—frontier spirit. And I'm still sure that the future is ours to shape.

Your senior Senator, Malcolm Wallop, embodies that Wyoming courage and optimism in the United States Senate. He's working hard to restore incentive and productivity to our economy and accountability to our system of government. He sounds the Wyoming call for fiscal responsibility loud and clear in Washington. But the economic mess that we're in has been piling up for decades, and it's going to take some time to straighten out. That's why the people of Wyoming and all Americans need Malcolm Wallop's service and dedication for another term in the United States Senate.

I have a message for the pessimists on the Potomac: The rest of the country still believes in America and in tomorrow. Together we'll get control of this economy, strengthen our defenses, and restore health to our nation. And we'll do it by returning our economy and our government to the American people. With the help of leaders like Malcolm Wallop, Alan Simpson, and Dick Cheney, we'll guide our country out of this dark tunnel of recession and decline. But we must stick to our course—a difficult but straight road to recovery.

Incidentally, just a moment ago in the other room before we came in, attention was called to the fact that of all the total State delegations in the Congress in Washington, none has a higher record of support of what we've been trying to accomplish than the delegation that sits before you here today.

Those who would have us return to the failed policies of yesterday, offering only the equivocating and uncertain leadership that got us into this mess, would take us once again down a garden path that's laid out like the traffic circles of Washington: We would continue going around and around getting nowhere, constantly in motion yet neither coming nor going. This nation has turned away from the dizzying years of tax and spend and tax and spend. We will not go back.

Some of the same people who ran this country for the last 20 years—who pushed us to the brink of economic disaster—now want to steal your tax cut before you even get it. And let me point out that the so-called tax cut, historic as it is, only lessens the previous tax increase. The government is still taking in more money every year. Yet some say that raising your taxes more is the only way to balance the budget. Well, I don't think they've gotten the message yet.

Let's look at the record. A fellow named Al Smith used to say that. Under past leadership in Washington, our taxes went up more than 200 percent in the last 10 years, and in the last 10 years we ran up a string of gigantic deficits. We don't have a budget deficit because we don't tax enough; we have a budget deficit because we spend too much.

You know, the people that are complaining the loudest because now, yes, this recession which came upon us and was coming upon us for the last several years has increased what even our conservative estimates of the deficit was going to be, because every time you add 1 percent to the unemployment rolls, you add 25 to 27 billion dollars to the deficit. And yet, I don't recall any of them in those past years, when they were in control of both Houses of the Congress, ever protesting much about deficits. It seems to me that I remember hearing them say, "Oh, we don't have to worry about the national debt. We owe it to ourselves." And I remember them saying, "A little inflation each year is good for us. It maintains prosperity." Well, listening to the born-again budget-balancers moan about deficits now is kind of like hearing a mugger in Central Park complain about crime in the streets. [*Laughter*] I don't believe that I was sent to Washington to raise your taxes, and neither was the new majority in the United States Senate.

Others say the way to balance the budget is to cut back on defense. But the very survival of our nation requires that we go forward with the defense spending program. And one of the reasons we must go forward can be seen in these young people that I'm so happy are here today. It is not because we envision someday sacrificing them on a battlefield. We want that defense so that someday a generation of young Americans or in no future day will ever have to go and do that anyplace in the world.

The rate at which the Soviet Union is increasing its capabilities leaves us still a number of years before we'll even begin to close the gap. Now, this is one subject on which the man holding the job that I now hold is practically the only one who has all the facts with regard to our national security. And I tell you we dare not reduce our defense budget.

The bulk of our increase is not going for fancy new planes or elaborate weapons systems. Most of that money is going for basic essentials now in dangerously short supply. It's going for manpower, maintenance, and readiness. If we eliminated all the major weapons systems, all the programs that are scheduled in the present budget, it would only reduce next year's deficit by $6½ billion in an economy that will be $3 trillion. I don't think Americans want their American forces held together with chewing gum and baling wire, unable to move for want of spare parts.

We must not resign ourselves to life as a second-rate power, tempting aggression with our weakness. America has never gone to war because it was too strong. We must rebuild our defenses and secure our freedom so that once again America will be second to none in the world. It's my duty as President, and the responsibility of us all as United States citizens, to keep this country strong enough to remain free and at peace.

We have submitted to the Congress a budget that will reduce deficits, rebuild our defenses, and begin to control the runaway costs of so many of our Federal programs. We're open to suggestions and alternatives from the Congress. We welcome ideas for spending even less. But as the volume of voices rises in debate, there's one thing I want to make very plain: My commitment to cutting taxes and rebuilding our defenses is every bit as strong today as it was the day I took office. There will be no retreat in those areas.

America today is at a turning point. For too long we've been stalled in history, repeating mistakes of yesterday because our leaders have been afraid to share a new tomorrow. But our people are ready. Our people know that they can solve any problem, that no challenge is too great. They're fed up with promises and platitudes. They're calling for the government to have faith in the governed.

You know, when I was in that other business, I used to say about some Hollywood producers that they didn't really have faith in the intelligence of the American people. Well, that can be said of many in Washington today. Faith in the American people—one of the most inspiring things that happens to me is the mail that I get. A letter from a blind veteran, World War II, lost his sight 37 years ago in Germany in combat. I had to have his letter translated from the braille. He wrote to tell me that if it would help our country to cut his pension, cut his pension—the elderly gentleman, quite elderly, who sent me his entire monthly social security check and asked that it be used to help retire the debt. And a young man—this was last year when we were still trying for the tax cuts and for our first cuts in the budget—a young man who wrote to tell me that he'd been going to college on one of the Federal loans, college loans, and he said, "But I'm going lay out a year and work and earn the money to go back the next year, so that I won't be a burden on our country any longer."

And then just yesterday a packet of letters all came in one little bundle, each letter from a little girl, and each little girl—they live in Tennessee—writing to tell me how much they love America, how beautiful America is, how much they can see the opportunities that lie before them. Every one of the little girls is a refugee from the Communist invasion of Laos. They're children of the boat people that came here for sanctuary—and now telling us how much they love this country.

Unshakable faith in the American people is at the heart of our program for economic recovery and our proposal to return power and resources to the levels of government closest to the people. The principle is the same. There's no one in Washington who should enjoy an open season spending your hard-earned money. And there's no one in Washington with a corner on the compassion and wisdom that it takes to run this city or this State.

In the last 2 weeks mayors, city councilmen, legislators, and Governors from both parties, county officials have applauded our overall proposal to strengthen the partnership between the levels of government. Americans by a 2-to-1 majority favor more power closer to home. I think it's time we listened to the millions of voices west of Washington.

It's time we tapped the well of human spirit that runs so deep in our land. We'll find more than the strength of numbers and the strength of resources. We'll find the strength of individual courage, know-how, and love of country.

I believe the American people are with us in our cause. We can't make things right overnight, but we will make them right. I'm asking you, as I'm asking all Americans in these long months of decision, to stay with us as we hold to this new path.

You and your forebears, as Malcolm said, tamed a wild frontier. And, believe it or not, you did it without an area redevelopment program or urban renewal. [*Laughter*] So now, load up the musket and help us conquer this wild growth and centralization of power which threatens all that we've created.

I'm counting on the advice and support of Malcolm Wallop in the months ahead and the years ahead as we return this country to our first well-charted course. Now, I'm going to say that I'm sure we probably don't agree on every issue. No two people do. But we share the overriding philosophy that individual freedom, individual integrity, and individual ingenuity made us the greatest country the world has ever known. And I know that these gentlemen you sent to Washington who are here with us, I know Malcolm and myself, we put our trust in God and in the American people.

I urge you, return Malcolm to the United States Senate where you and I and all Americans need him, and together we'll make America great again.

Thank you very much.

Note: The President spoke at 12:15 p.m. in the Storey Gymnasium.

Following his appearance at the rally, the President attended a fundraising reception for Senator Wallop at the Hitching Post Inn.

Remarks at a Rally for Senator Harrison Schmitt in Albuquerque, New Mexico

March 2, 1982

Thank you very much for a most heartwarming welcome. You know, in Washington you wake up to the local news there, and you're not always as enthused as you are right now.

But, Mr. Chairman, Mayor Kinney, Republican State Chairman Morris, Mrs. Schmitt, Senator Jack Schmitt, I came to Albuquerque today to tell you something that I now realize is absolutely unnecessary to tell you, and that was how lucky you are to have a Senator like Jack Schmitt. You already know that. And you're lucky that, among other things, he's a geologist, because let me tell you, Washington has more than a few people with heads that only a rockhound can handle. [*Laughter*]

For 6 years now Jack has been chipping away at the petrified attitudes that have characterized Washington for decades. And now this year with a Republican administration and a new Republican majority in the Senate, he's had some help.

As chairman of the Appropriations Subcommittee on Labor, Health and Human Services, and Education, he played an instrumental role in enacting last year's budget cuts. They were, incidentally, the biggest cuts that have ever been made in the history of this country. And let me say he handled those budget cuts with as much skill and precision as he flew the spacecraft that took him to the Moon. He was careful, and he did no harm to the programs that genuinely serve the needy or provided sound education value to our children.

You know, right now, because of some changes that we're making with regard to the Department of Education, there seems to be spreading in a kind of a wave among some people that—well, we're trying to do away with or lower educational quality. Not so. There are those in Washington who, ever since they turned to Federal aid to education, intended Federal control of education, and that interference by the Federal Government has hurt the quality of education from coast to coast in this country.

The Congress is now beginning to study the administration's 1983 budget proposal, and this proposal provides a solid framework for congressional consideration. You've been hearing a lot about so-called alternatives to the budget that we've presented. Well, many of these are not genuine budget alternatives at all, but political documents designed for saving certain legislators' political hides rather than saving the economy.

This administration is willing to consider any comprehensive program as long as it does not compromise the fundamentals of our tax cut program. The American people have been promised tax relief. Last year the Congress passed tax relief, and as long as I have any say in the matter, no one's going to take it away from us.

It is true that we've only had the first installment and a small one that hardly made a dent in the built-in tax increases which we had inherited. But the next installment will come in July 1st, and then there will be a further one in the following year. Incentive must be returned to those who work and save and invest.

And if I may echo and add to something that Senator Schmitt said up here a moment ago, there's another bottom-line requirement, we cannot afford to compromise our national defense needs. Senator Schmitt has worked for a stronger defense. He has read the studies. He knows that our relative military imbalance with the Soviets will be at its worst—in spite of our buildup, it will be at its lowest point by the mid-eighties. He's familiar with the horror stories of recent years—fighter planes that couldn't fly because they didn't have the spare parts, Navy ships that couldn't leave port, a Rapid Deployment Force that was neither rapid nor deployable and not much of a force. He knows that a major conflict involving the United States could occur without adequate time to upgrade United States force readiness.

For years, he has advocated substantial increases in the defense budget, and this administration agrees wholeheartedly. An increase is essential. Defense has been starved for years. And yet it is not true, as some charge, that we're splurging extravagantly on unnecessary defense spending while we are neglecting our other Federal responsibilities.

In 1962 President Kennedy's budget, to give you something to judge this by, called for defense spending that amounted to 44 percent, almost half of the national budget. Even with our increases, defense spending this year will only be 29 percent of the overall budget. That's right halfway between one-fourth and one-third of the budget.

Now, to those who say there must be an alternative to our increased military budget, I agree. What they say is absolutely true, there is an alternative to a larger defense budget. It is a larger and increased possibility of war.

These young people who are here today, there isn't any one of us who is anticipating the day or thinking in terms that they should some day be called upon to bleed their lives into some battlefield somewhere in the world as other young people have before them. No, if we have the proper defensive strength, no young Americans will have to bleed their lives into a battlefield. A cutback in defense would be a cutback in our chance of peace and security.

As much as I detest the idea of deficits, as President I must accept a large deficit if that is what it takes to buy peace for the rest of this century and beyond. With every improvement in our military readiness that we make today, we're saving the life of some young American who'll be serving our country tomorrow.

As you well know, Senator Schmitt is one of the very few men on this Earth who has walked on the Moon. It must be quite a sight up there, looking back on this beautiful blue planet hanging in the void. I would think that seeing the Earth from a quarter of a million miles away must change a man forever. He must look at everything ever after from a different perspective, a larger perspective. And I think Jack Schmitt has brought that perspective to the Senate.

Being a scientist, Jack has that analytical, independent mind. When the facts support our case, he'll support the administration. When the facts don't support us to Jack's satisfaction, well, he can be as stubborn as those burros the prospectors use to lead around New Mexico's mountains. [*Laughter*] And I mean that in the friendliest of spirits. [*Laughter*]

You know, when I was much younger, I heard about a prospector that came down out of those mountains, and when he arrived in civilization and announced that he had been up there for 40 years hunting gold—said he'd been there—that's what he was, a prospector—he'd been up there for 40 years. And the fellow he was saying this to said, "You mean you're been up there in the mountains for 40 years looking for gold?" And he says, "No. I was only looking for gold 1 year. The other 39 I was looking for my burro." [*Laughter*]

That illustrates a certain independence there. But whether Jack agrees with us or not, he always listens—or we always listen to what he has to say, because we know that he speaks for New Mexico and her citizens and for this country.

I came here to deliver a message. The message is that Congress needs Jack Schmitt in the Senate. The administration—my administration needs Jack Schmitt in the Senate. And if I may be presumptuous enough to speak for you here today, New Mexico needs Jack Schmitt in the Senate.

Let me just say one or two more words. Jack told you about some of the figures and some of the changes that have occurred in this last year with regard to interest rates, with regard to the rate of inflation.

You know, it's sometimes easy for us to forget in Washington as we look at inflation coming down, that out here people are perhaps not so prone to notice that, because it is still inflation. So, they go to the store. They're not particularly interested in the rate of inflation. They only know that the price this year is higher than the price was a year ago. And all we can try to say is, yes, but it's not as much higher as it was getting to be a year ago. But the aim and the goal that we're all dedicated to in this administration and in that majority in the Senate that we have, we're dedicated to the day when you're going to go into the store and say, "The price is lower than it was when I was in here last."

We're faced with, yes, a large deficit—larger than we had anticipated because of the recession that has hit this country. How does such a figure change? Well, when you add 1 percent to the unemployment rate in this country, you add 25 to 27 billion dollars to the deficit, and we're in a recession. We think that we're going to turn the corner in that recession in the coming months. Things are going to be different.

But today, with this being an election year, there are people on the opposite side of a Jack Schmitt who are going to make a great issue about this deficit. I would ask you to remember only one thing: Remember, they are the same people who for over the last 40 years have told us the national debt isn't important; we owe it to ourselves. They are the same ones that have piled up deficits, except once in the last 25 years. They've had deficits every year but that one, and they never mentioned them, they didn't seem to be bothered too much by them. Suddenly now the deficit is the all-important issue of the coming election. Well, we hate deficits too. We hated them all of the time they were piling them up. We're going to whittle at these deficits until we're down to government spending within its means.

And I just finished saying to some people over in Cheyenne, we don't have deficits because of our tax cuts. We have deficits because the government is spending too much, and we're going to change that.

So all I ask of you—you've applauded all these things that I've said we're going to do. We'll do them a lot easier and a lot better if you send him back to Washington for another 6 years. We'd like to have him.

Thank you very much.

Note: The President spoke at 3:29 p.m. in the Kiva Auditorium at the Albuquerque Convention Center.

Following his appearance at the rally, the President attended a fundraising reception for Senator Schmitt in the Acoma Room at the convention center.

Nomination of Thomas A. Bolan To Be a Member of the Board of Directors of the Overseas Private Investment Corporation

March 2, 1982

The President today announced his intention to nominate Thomas A. Bolan to be a member of the Board of Directors of the Overseas Private Investment Corporation. He would succeed Richard R. Swann.

Since 1972 Mr. Bolan has been counsel to the law firm of Saxe, Bacon and Bolan in New York City. He joined the firm, then Saxe, Bacon and O'Shea, in 1959 as an associate and became a partner in 1960.

Mr. Bolan attended St. John's University and Law School. He is married, has five children, and resides in Flushing, N.Y. He was born May 30, 1924.

Memorandum Urging Support of the American National Red Cross

March 2, 1982

Memorandum for the Heads of Executive Departments and Agencies

I have just designated the month of March as Red Cross Month in a Presidential Proclamation. It is a period when we should reflect on the vital role the American Red Cross plays in this nation. We count upon the Red Cross for vital health and safety knowledge, the collection and distribution of blood, services to members of the Armed Forces, veterans and their families, and training our young people to undertake leadership responsibilities.

There are three things we can do to help the Red Cross during March:

1. Become a Red Cross volunteer
2. Donate blood
3. Support your Red Cross chapter's membership and enrollment efforts.

Within the Federal Government, the Red Cross is a part of the Combined Federal Campaign, but more than half of its 3,000 chapters raise all their funds in March. All chapters use the month to inform the public of Red Cross services and to recruit new blood donors and volunteers.

As President of the United States and Honorary Chairman of the American Red Cross, I urge all civilian employees of the Federal Government and members of the Armed Forces to support this voluntary effort to the best of their ability.

RONALD REAGAN

Note: The text of the memorandum was released by the Office of the Press Secretary on March 3.

Remarks at the Los Angeles County, California, Board of Supervisors' Town Meeting
March 3, 1982

Chairman Pete Schabarum, members of the Los Angeles County Board of Supervisors, Mayor Bartlett [Bradley]:

It's great to be back in California. Right now, I really wouldn't rather be in Philadelphia. [*Laughter*]

But it was a little more than a year ago—13½ months to be exact—that I gathered with many of you at the Biltmore Bowl and Los Angeles City Hall to say our goodbyes. I must admit that I was a bit scared. But all of your good wishes and genuine expressions from the heart made me realize that I wouldn't be in the Oval Office alone. And I want you to know how grateful I am for the back-home support that you've given me. Even when we disagree, I know our friendship remains.

Jesse Unruh was even there to see me off that day. [*Laughter*] There was a smile on his face and a twinkle in his eye that made me wonder if he knew something I didn't. [*Laughter*]

Of course, I had no illusions about the task ahead. In the months before I left for Washington, America was faced with economic chaos. Inflation had been running at double-digit levels for 2 consecutive years with no relief in sight. Unemployment had reached almost 8 million. The savings rate had plummeted to the lowest among leading industrial nations, and interest rates were going through the roof—21½ percent. Even worse, many Americans had lost hope. Some of our leaders were throwing up their hands, claiming nothing could be done, that can-do optimism so characteristic of America was being replaced with a notion that our greatest days were behind us.

Well, if I was apprehensive before getting on that plane to head east, the grassroots support that I've witnessed since has convinced me that not only is America not licked but that our spirit is alive and well.

With the support of the people and some find bipartisan cooperation in the Congress, we've managed to lay a foundation that will bring better days to America. We targeted those things that had to be done to make lasting economic recovery possible. First on the list was slowing Federal growth. When I arrived there, Federal spending was increasing at an annual rate of 17 percent. With the help of the Congress, we've cut that growth rate nearly in half. And if we get the budget that we've submitted for 1983, it will virtually be cut in half again.

As Federal spending skyrocketed, so had Federal taxes. Uncle Sam's tax haul doubled just between 1976 and 1981. By the time the Federal Government had soaked up its share, there was little left for consumers or for State and local governments and for business to invest and create new jobs.

The solution was as straightforward as it was essential. To get the economy moving again we had to reduce taxes as well as spending. So, we set in place a three-year tax reduction program that will, if we just stick with it, give us stronger growth, more jobs, and the revenues we need to reduce the deficit. And as far as I'm concerned, we're sticking with it.

In the last decade another problem loomed before us. Federal regulation grew from a neighborhood pest into a nationwide monster, preying everywhere on initiative and incentive. Our regulatory relief program under the able direction of Vice President Bush has tackled this bureaucratic quagmire head-on. The number of new pages in the *Federal Register,* the book which lists new regulations, has been cut by a third. The *Federal Register* now has 23,000 fewer pages than it had a year ago.

It took a year to do, but we've set in place a program that attacks the basic problems that have stagnated the American economy and demoralized the American people. Already there are signs that, while we have a long way to go, the program is beginning to work. Inflation is down. In fact, it's fallen faster than anyone predicted—8.9 percent average for 1981 and only about 4½ percent for the last 3 months. Savings are up, and the main incentives to save are just coming on line. What does that mean to the American economy? Well, a 1-percent increase in personal savings adds $20 billion to the investment pool of available capital. The prime interest rate, while still too high, has declined by 20 percent. There may be some minor fluctuations now, but the interest rate trend-line is downward.

We believe the economy is poised for recovery, but this time we will not let inflation take off as it did in the past. All this does not ease the economic hurt being felt today from decades of misguided government policies, but it does prove that the medicine is beginning to work.

The deficit, of course, remains a cause of major concern, and it certainly is taking its toll on the nerves of those on Capitol Hill. We've begun to hear a chorus of ad-hoc alternatives to our economic recovery program from some who never muttered a word about deficits over the years, even when past deficits represented a far larger portion of the gross national product than today's do. Let me point out that in the years we were coming out of the 1974 recession, deficits averaged 3½ percent of gross national product. Our projected deficit, big as it is, will only be 2.7 percent of the gross national product.

Now, no one sympathizes more with the idea of a balanced budget than I do—you may remember that I've mentioned that a few times over the years. But the deficits we propose are much larger than I would like, but they're a necessary evil in the real world today. And bear in mind, they would not be significantly reduced, if at all, by raising taxes, which is the common element in most of the curb-the-deficit proposals that are being bandied about.

I said yesterday to some people—and I'll repeat to you—deficits are not caused by our lowering taxes. Deficits are caused by government spending too much. I believe that decreasing and postponing the tax cut that we originally proposed damaged our chances of nipping this recession in the bud. A tax increase now might well stall recovery further, suppressing tax revenues and ensuring permanently high budget deficits.

There's only one answer to large and growing Federal deficits, and that is, as I said a second ago, to slow the growth of Federal spending. And to that end I'll talk with anyone in or out of Congress with constructive suggestions.

The unprecedented growth of Federal spending of the past two decades did more than precipitate economic stagnation. The expanding Federal monolith undermined the system of checks and balances and the division of power that long protected the freedom of our people. The people, who, after all, were meant to be in charge, are now so far removed from the decision-makers that they have little say in policies that dramatically affect their lives. And, all too often, those policies don't work. Thomas Jefferson said, "Were we directed from Washington when to sow and when to reap, we should soon want for bread." More and more people realize that things don't seem to work anymore, because too much power flows to too many unaccountable people in Washington, D.C.

A major news columnist recently pointed out that some politicians and pundits don't take the issue of federalism seriously. And he suggested they simply don't realize how fed-up grassroots Americans are with the centralization of power and resources in Washington. And the columnist concluded that it would be a political mistake to brush aside federalism. Well, bless his little typewriter. [*Laughter*]

I agree, and I would add that those who ignore the federalism debate do so at their peril. This is an issue that transcends party politics. It is an issue that begs to be addressed. And those who don't participate in the debate will be left behind.

As local officials, many of you bear the brunt of the problem. The Federal Government has undercut your local tax base, and in return for some of what it takes, the

Federal bureaucracy demands the right to tell local and State authorities how to manage their affairs. That's not representative government; that's not democracy.

Early in the last century, Chief Justice John Marshall likened the power to tax with the power to destroy. Well, that's what's happened. Federal co-opting of tax resources has destroyed the separation of powers that once was the hallmark of our system.

President Calvin Coolidge—I happen to respect him greatly; he had horses on the White House lawn. [*Laughter*] He was known more for his silence than his rhetoric. But when silent Cal had something to say, it was usually worth hearing. "Our country," he once said, "was conceived in the theory of local government. It has been dedicated by long practice to that wise and benevolent policy. It is the foundation of our system of liberty." Well, I believe it's time for honest men and women who work in all levels of government to begin a dialog about reversing the power flow and returning some of the authority usurped by the Federal Government.

A starting point for that dialog is the broad proposal that I outlined during my State of the Union address. Briefly, it suggests the transfer of 45 categorical programs to the States. "Categorical"—let me interrupt and say—means that the Federal Government issues the grant, mandates the program, and then tells you at the local level exactly how you have to run it and what you have to do. And there's no way that people 3,000 miles away can tell every diverse section of this country to abide by the same rules and regulations. Along with the funding sources, flexibility and authority to manage them has gone. Now, this list includes everything from education to community development, from transportation to social services, programs that have traditionally and rightfully belonged at the State level.

Now, what I've described as the centerpiece of the federalism initiative is the almost dollar-for-dollar swap of the two largest areas of welfare. The Federal Government takes on the cost of Medicaid, and in exchange, the States would assume responsibility for Aid to Families with Dependent Children and food stamps. Now, this proposal isn't set in concrete. But we think it is basically on target, or we wouldn't have presented it.

The proposal allows for an orderly transition, and sensitive to your concerns in local government, we include a 100-percent pass-through provision for all those programs that have traditionally shared a Federal-local relationship. That must be a part of the plan.

Now, this plan maximizes State flexibility and minimizes risk. The Medicaid program, for example, is the fastest rising cost to State and local government. AFDC and food stamps, under current law, on the other hand, will grow at only about one-sixth the rate of the cost of Medicaid. I've made this pledge, and I renew it to you today: Our federalism program will have no losers. This is not an attempt to dump anything on the States and local governments. And while there are no losers, the people will be the winners.

In these last few weeks, I've visited city, county, and State officials and was gratified by their sincere desire to discuss this issue. My meeting just last week with the National Association of Counties was amicable and productive. So was my meeting with the Governors. The news media said sparks would fly, but the Governors wanted to cooperate, establish a dialog, and move ahead.

There are some, raised in an era when "States rights" was a cover phrase for racism, who are fearful that returning power to the States will result in discrimination. For the record, this administration will not support any legislation returning programs to States that undermines the Federal Government's continuing role of protecting the civil rights of all Americans. The new federalism is not meant to be and will not be permitted to be a step backward in our nation's commitment to civil rights.

Now, there are some who suggest that State and local government can't handle the responsibility. The implication is that State and local governments are filled with heartless incompetents and that all the talent and compassion resides in the halls of bureaucracy in Washington. Well, I've heard all that before, and it doesn't wash.

Our attempt to clean up California's welfare mess received the same shrieking response a few years ago. It was just 11 years ago today at a townhall luncheon in Los Angeles that I unveiled our welfare reform program. My, how the cries and howls filled the air. One rather partisan gentleman claimed if our welfare reform program was enacted, the State would have to legalize begging in the streets and revive State operated poorhouses. Well, as it turned out, our welfare reform program became a model for States all across America.

You know, Will Rogers once said that "government has never been accused of being a businessman." Well, that's for sure, but we can still make it more businesslike. One of the first actions that I took as Governor of California was to conduct a complete survey of the management and administrative practices in all the areas of our State government. I didn't do that personally. Two hundred and fifty or more skilled private sector professionals volunteered to come in and give us recommendations on how to make our State government operate more efficiently. You'll remember there were task forces organized on the basis of their particular knowledge in business and industry and the professions.

Veterans of the hotel industry told us how better to utilize the space in our prison system, how better to run the hotel-keeping functions, the buying of food and so forth. Other business executives showed us how to improve our filing system and cut down on costs at the same time. They gave 117 days full-time as volunteers to this task. It was charged that the State employees would resent this outside interference. But instead, those employees were more than anxious to help, and some said they had never before been asked how to improve efficiency. In all, about 2,000 cost-saving recommendations were made by these task forces, volunteering their time, working with responsible State employees.

We believe those efforts in California can and must be duplicated at the national level. And this morning, I have just met with J. Peter Grace, who will be the new Chairman of the Private Sector Survey on Cost Control in the Federal Government. Mr. Grace is an outstanding businessman, chairman and chief executive officer of W. R. Grace and Company. And he promised me that he and his new team will work like tireless bloodhounds, leaving no stone unturned in their search to root out inefficiency and waste of taxpayer dollars.

Well, my experience in California and in Washington has given me now a unique perspective on the predictions of gloom and doom that always precede needed reform. It also gave me a better understanding of Federal interference and an abiding respect for what can be accomplished at the State and county level when people set out to better manage their affairs.

I've delighted over the years in telling the story about the community that was going to change the height of the signs along its streets, the traffic signs, going to elevate them by 2 feet, from 5 feet to 7 feet. The Federal Government rushed in and said they had a program that would take that over at cost to the Federal Government. They'd lower the streets by 2 feet. [*Laughter*]

I have faith that given the authority, State and local governments are more capable of handling their own affairs than the bureaucracy in Washington. Well, you've just confirmed the polls that suggest that the American people agree with that, too.

In California and in Los Angeles County, there are numerous examples of creative and innnovative government which reinforce that conclusion. The use of millions of hours of volunteer service is a fine example of what can be accomplished by involving the people with their government.

Over 2 million hours of annual voluntary service are contributed to the libraries, museums, medical clinics, and mental health facilities of Los Angeles County. And there's a new experimental program to attract volunteers, including those retired county personnel who may want to help but didn't know how to get back into the picture. In the sheriff's department, there are 1,783 volunteers giving 417,278 hours of volunteer time per year, saving the county $5 million. The Los Angeles Police Department has a voluntary reserve program that saves the city of Los Angeles $5 million annually. In fact, one of your county supervisors, Mike Antonovich, is a reserve officer in the South Pasadena Police Department and still serves 3 nights a month.

This use of volunteers by the State, county, and city level is an example of government by the people in the truest sense of the word. But methods of saving must go beyond the use of volunteers. County use of prisoners to clean the beaches deserves recognition, as does a program that sounds a bit familiar, the use of able-bodied welfare recipients to perform unskilled but necessary chores.

Los Angeles County government, which has a larger budget than 40 States, is demonstrating that government doesn't need more Federal mandates and more money to be more effective.

Perhaps one of the most innovative of its programs is the contracting out of services with the private sector. Contracting out everything from attorney's duties to maintenance of paramedical equipment, from the collection of debts to doing custodial services, has saved the people of Los Angeles County about $10 million. Translated into real terms, that's what it would cost to build 5 neighborhood health centers or pay the salaries of 320 street patrol officers.

All of this—the use of volunteers, contracting out of services, the use of welfare recipients and prisoners—is the kind of innovation that is possible when the Federal Government gets out of the way and lets local and State government do what it's supposed to do.

Ten years ago yesterday I made an appointment of which I've always been proud. There was a seat open on the Los Angeles County Board of Supervisors, and I selected a member of the California Assembly named Pete Schabarum for the position. And as many of you discovered, he's a man of high principle; and, even more, he's tough. [*Laughter*] And it takes tough leaders like Pete and the other members of the board to make government work.

Two centuries ago, Thomas Jefferson is supposed to have said, "Eternal vigilance is the price of liberty." He didn't just mean vigilance against foreign attack. The greatest threat to freedom, even in today's perilous times, comes from no foreign foe. It comes from a dangerous habit many of our leaders fell into over several generations—letting the power and the resources that are the basis of freedom slip from the grassroots America into the hands of a remote central authority. Today we have the opportunity to turn that centralization of power around.

I thank you for providing this forum. I assure you once again that in our program of federalism we're depending on State and local officials to work with us on fleshing out that plan and that we intend not only to pass on the responsibility for the programs but the sources of revenue to pay for them.

I look forward to working with you to restore to our countrymen the representative government of the Federal, State, and local level that is every American's birthright.

And, again, God bless you, and thank you very much.

Note: The President spoke at 11:15 a.m. in the Dorothy Chandler Pavilion Auditorium.

Earlier in the day, the President had breakfast with Mr. Grace, his choice for Chairman of the Private Sector Survey on Cost Control in the Federal Government, at the Century Plaza Hotel.

On the following day, the President left Los Angeles for a weekend stay at Rancho del Cielo, his ranch near Santa Barbara, Calif.

Appointment of the Chairman, Director, and Deputy Director of the Private Sector Survey on Cost Control in the Federal Government

March 3, 1982

The President today appointed J. Peter Grace as Chairman of the Private Sector Survey on Cost Control in the Federal Government.

Mr. Grace is chairman and chief executive officer of W. R. Grace and Co., an international chemical company founded more than a century ago. He joined W. R. Grace and Co. following his graduation from Yale University, holding the positions of secretary, director, vice president, president, and chief executive officer. He was elected to his present position in May 1981.

Throughout his career, he has been associated with numerous business organizations, public service groups, and educational institutions. He is a director of Citicorp and Citibank; Kennecott Corp.; Ingersoll-Rand Co.; Stone and Webster, Inc.; Brascan, Ltd.; Milliken and Co.; and Omnicars, Inc. He is also a trustee of the Atlantic Mutual Insurance Co. and chairman of the board and director of Chemed Corp.

Mr. Grace's professional memberships include the Council on Foreign Relations, the Emergency Committee for American Trade (founding member), the Development Committee of the National Bureau of Economic Research, the International Center for Economic Research, the International Center for Economic Policy Studies (director), the United States Council of the International Chamber of Commerce (trustee), Radio Free Europe/Radio Liberty (director), and the Radio Free Europe/Radio Liberty Fund, Inc. (chairman).

He is a trustee of the University of Notre Dame, member-trustee and president of Grace Institute, treasurer and trustee of the National Jewish Hospital and Research Center/National Asthma Center, and president and director of the Catholic Youth Organization of the Archdiocese of New York. He has been awarded honorary degrees by 11 institutions of higher learning and has been decorated by the Governments of Colombia, Chile, Ecuador, Panama, and Peru for his services to those nations. Mr. Grace is president and a member of the board of founders of the American Association of Master Knights of the Sovereign Military Order of Malta, a knight Grand Cross of the Equestrian Order of the Holy Sepulcher of Jerusalem, and a member of the Cardinal's Committee of the Laity.

Mr. Grace is the recipient of numerous awards and honors from professional, educational, and religious organizations. He was born in Manhasset, Long Island, in 1913, and resides on Long Island, N.Y.

The President also appointed James W. Nance as Director and Janet Colson as Deputy Director of the Private Sector Survey.

Nomination of Selwa Roosevelt To Have the Rank of Ambassador While Serving as Chief of Protocol for the White House

March 3, 1982

The President announced today that Selwa Roosevelt will serve as Chief of Protocol for the White House and will be nominated to have the rank of Ambassador while so serving. She will succeed Leonore Annenberg, who has resigned.

A Washington hostess and journalist, Mrs. Roosevelt is married to Archibald Roosevelt, Jr., a grandson of President Theodore Roosevelt.

She is a graduate of Vassar College, class of 1950, and took her degree with honors in international relations. In Washington in the 1950's she wrote a column for the

Washington Star called "Diplomatically Speaking," in which she covered the State Department, the diplomatic corps, and official and state visits of dignitaries from all over the world.

She interrupted her own career to accompany her husband on various diplomatic missions overseas. She has resided in Istanbul, Turkey (1951–1953); in Madrid, Spain (1958–1961); and in London, England (1962–1967). In 1961 Mrs. Roosevelt was a special assistant to the head of the National Cultural Center, which later became the Kennedy Center for the Performing Arts.

Since 1967 Mrs. Roosevelt has lived in Washington continuously and worked as a freelance writer for the Washington Post. In addition, her articles have appeared in many magazines, among them the Family Circle, McCall's, and Town & Country. She became a contributing editor of Town & Country 3 years ago. From time to time, Mrs. Roosevelt has written about the art and significance of entertaining, especially in Washington. Her journalistic assignments have taken her to many countries in Europe, South America, North Africa, and the Middle East. She speaks fluent Spanish and has studied French.

Mrs. Roosevelt has served on the citizens' advisory board of Duke University Comprehensive Cancer Center for the past 6 years and has written a number of medical articles, particularly about cancer and cancer research. Recently she was invited to join the board of the American-Italian Foundation for Cancer Research.

Her special Washington interests are the Folger Shakespeare Library, where she serves on the council, and the Children's Hearing and Speech Center (of Children's Hospital), where she was a board member for many years.

Born January 13, 1929, in Kingsport, Tenn., Mrs. Roosevelt lived there until her marriage in 1950. She and her husband reside in Washington, where he is a director of international relations for the Chase Manhattan Bank.

Appointment of M. E. Bradford as a Member of the Board of Foreign Scholarships

March 3, 1982

The President today announced his intention to appoint Dr. M. E. Bradford to be a member of the Board of Foreign Scholarships for a term expiring September 22, 1984. He would succeed Alfred Stern.

Dr. Bradford is currently professor, English department, at the University of Dallas, where he has been teaching since 1967. He was assistant professor of English, Northwestern State University of Louisiana, in 1964–1967. He was assistant and associate professor of English at Hardin-Simmons University in 1962–1964 and taught English at Vanderbilt University in 1959–1962.

He graduated from the University of Oklahoma (B.A., 1955; M.A., 1956) and Vanderbilt University (Ph. D., 1968). He is married, has one child, and resides in Irving, Tex. He was born May 8, 1934.

Appointment of Six Members of the Committee for Purchase from the Blind and Other Severely Handicapped

March 3, 1982

The President today announced his intention to appoint the following persons to be members of the Committee for Purchase from the Blind and Other Severely Handicapped.

Martin A. Adler, 57, is the director of the Helen Keller National Center for Deaf-Blind Youths and Adults. He resides in Pomona, N.Y. He would succeed Jansen Noyes for a term expiring December 21, 1986.

George A. Conn, 48, is Commissioner, Rehabilitation Services at the Department of Education. He resides in Millersville, Md.

Charles F. Drenz, 51, is a brigadier general assigned as Deputy Director (Contract Administration Services), Defense Logistics Agency. He resides in Springfield, Va.

Andrew A. Giordano, 49, is currently a rear admiral and is serving as Director, Material Division, on the staff of the Deputy Chief of Naval Operations. He resides in Arlington, Va.

Donald C. J. Gray, 62, is Director of the Customer and Industry Relations Office, Federal Supply Service, at the General Services Administration. He resides in Potomac, Md.

Richard M. Hadsell, 41, is Executive Director for Operations at the Department of Commerce. He resides in Annandale, Va.

Proclamation 4906—Louisiana World Exposition of 1984

March 4, 1982

By the President of the United States of America

A Proclamation

In 1984, the United States of America will host a major international exposition that will explore the fundamental relationship of water to life. To be held in New Orleans on the great Mississippi River, the Louisiana World Exposition has as its theme "The World of Rivers—Fresh Water as a Source of Life."

The theme is most timely and appropriate.

We are the first generation in history to have seen the Earth from space, and it has given us new understanding. As seen from those great distances, the dominant colors of Earth are blue and white; blue for the great oceans, and white for the canopy of clouds that replenish the land with fresh water, forming rivers and streams that lead again to the oceans. Earth is primarily a water planet.

As the world economy grows, the wise use of all resources, including fresh water, becomes increasingly important. The direct human suffering caused by severe droughts and floods is monumental and can affect the global economic and political system. Man's technological and economic response to the challenge of new demands on our water needs to be shared and demonstrated.

There is inspiration, too, in the power and majesty of the world's rivers and their role in shaping the culture and history of so many different peoples. This celebration of the World of Rivers will be a celebration of the human experience itself.

With its many splendid opportunities for cultural and technological exchange, the Louisiana World Exposition has the full and enthusiastic support of the United States Government. In accordance with law, I shall appoint a United States Commissioner General to exercise the responsibility of the United States Government for fulfillment of the Convention of November 22, 1928, Relating to International Expositions, as modified.

Now, Therefore, I, Ronald Reagan, President of the United States of America, in further recognition of this Louisiana World

Exposition, do hereby invite the several States of the Union and its Territories to participate in the exposition and authorize and direct the Secretary of State to invite, on my behalf, such foreign countries as he may consider appropriate to participate in this event.

In Witness Whereof, I have hereunto set my hand this fourth day of March, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 11:03 a.m., March 5, 1982*]

Nomination of Gen. John W. Vessey, Jr., To Be Chairman of the Joint Chiefs of Staff

March 4, 1982

The President today announced his intention to nominate Gen. John W. Vessey, Jr., to be Chairman of the Joint Chiefs of Staff, Department of Defense. He will succeed Gen. David Jones whose term expires in June 1982.

General Vessey is currently the Vice Chief of Staff in the United States Army. From 1976 to 1979, he was Commanding General, Eighth United States Army; Commander-in-Chief, United Nations Command; Commander, United States Forces, Korea; and Commander-in-Chief, Combined Forces Command. From 1975 to 1976, he was Deputy Chief of Staff for Operations and Senior Army Representative, Military Staff Committee at the United Nations. From 1974 to 1975, he was Commanding General of the 4th Infantry Division (Mechanized) and Fort Carson, Colo. From 1972 to 1973, he was Deputy Chief of the Joint U.S. Military Advisory Group in Thailand. From 1970 to 1972, he was Commanding General, United States Army Support Group in Thailand. From 1969 to 1970, he was Chief of Staff, 3d Armored Division, United States Army in Europe. From 1967 to 1969, he was Commander, 3d Armored Division Artillery, United States Army in Europe. From 1966 to 1967, he served as Executive Officer, 25th Infantry Division Artillery in Vietnam.

General Vessey received his B.S. degree in military science from the University of Maryland and M.S. degree in business administration from George Washington University. His military school attendance included the Artillery School, basic and advanced courses; the Artillery and Guided Missile School, advanced course; U.S. Army Command and General Staff College; Armed Forces Staff College; and the Industrial College of the Armed Forces. He has received many U.S. decorations and badges, including the Distinguished Service Cross and the Purple Heart. He received his battlefield commission at the battle of Anzio in 1944 during World War II.

General Vessey was born June 29, 1922, in Minneapolis, Minn.

Remarks of the President and the First Lady at the Final Program of the "Young Artists in Performance at the White House" Series in Santa Ynez, California

March 7, 1982

The First Lady. Thank you. Well, good afternoon, and welcome to the season's last program of the Young Artists in Performance at the White House. To the viewers at home, let me say, if you hear bellowing in the background that's not my husband and Congress debating the budget. [*Laughter*] It's the sound of cattle, for today we're far away from Washington on a cattle ranch in the mountains of central California.

Just as the beauty of this ranch is different from that of the White House, the beauty of the music that we're about to hear is distinctive from that of earlier shows. While country and western music isn't classical, it is classically American. It's downhome, down to earth, and downright fun.

Our guest artist today is the great country and western musician, Merle Haggard, a performer who has won every major country music award. He once recorded an album called "The Best of Merle Haggard," and as you'll soon hear, that's exactly what we're going to get this afternoon. We'll also hear the best of Mark O'Connor, an amazing young fiddler who Merle believes is destined for future greatness, and I think you will all agree.

In a few minutes, Merle will introduce you to the members of his band, The Strangers, but whenever country and western music is played there really are no strangers. So get your boots ready to stomp and your heart ready to romp and enjoy the music.

Merle?

[*Following the performance, the President spoke to the guests at 2:32 p.m. as follows:*]

The President. Thank you. You should know better than that, because in the business I was in, if you didn't sing or dance or play an instrument, you ended up making a speech. [*Laughter*]

Well, I just want to, on behalf of all of us, thank Merle and Mark. You know, in the comic strip "Charlie Brown" this morning, just curiously enough, one of his little girlfriends was telling him about a strange uncle she had that liked the violin. So, she said, he went down and bought one and then he went down to the symphony orchestra and watched them to see how it was done. He went home and he couldn't play it at all, so he was going back next week and sit closer. [*Laughter*] I think we've just heard a young band and some other gentlemen up here who've sat very close.

I think the music we've heard today reaches the heart of America. Merle, you've taken the hopes and heartbreaks of our people, combined them with the freedom and beauty of our land, and ended up with the music of America. I can't think of a better setting for this last of our series of performances for young American artists. Here on this magnificent ranch in the spectacular Santa Ynez Valley, we can remember our roots and feel the power and strength of our past. Inspired by the artists today and tomorrow, we can rest assured that we have every resource we need to conquer the future.

As someone said, "The political life of a nation is only its most superficial aspect. In order to know the inner life, to really understand it, you've got to find the heart in the literature, the philosophy, and the arts, and there you will find the ideas and the passions and the dreams of a whole people."

I would add: In those dreams, you'll find their future. If the American people stop long enough to understand the strength, the morality, and the courage that runs deep in our national character, then I believe we will have turned the corner in our struggle to renew our national life.

I'd like to thank Beverly Sills for bringing together such an outstanding group of stars as she has this season, and for the wonderful young American talent. Nancy and I have enjoyed this program very much. We hope that everyone viewing it has, and that all of you have. And I hope the rising generation of American artists, this generation of artists, will be encouraged to meet the challenges ahead of them and aspire to surpass the high standards of the American artists who've come before. But most of all, I hope all our countrymen will take pride in the American cultural heritage—the respect that is rooted in the creativity that can only come from freedom.

So, thank all of you for joining us and, Merle, it just struck me here that you might consider, say, a couple more songs?

[*At this point, Mr. Haggard performed an encore, and then the President resumed speaking.*]

Ladies and gentlemen, just one last word that has to be said here—and I hate to be interrupting the music, but we now have to go. But I think all of us here should understand, here on this magnificent ranch, this beautiful valley, who we're indebted to—Mr. and Mrs. Gildred, for making this place available for the day. Why don't you come up here where they can see you? Here they are.

This is just wonderful, and we thank you.

Incidentally, the reason that Nancy and I were late for lunch was we were up here on the hill watching him [Stu Gildred] on a cutting horse out here demonstrating cutting a calf out of the herd. And he leaned over while he was doing it and took the bridle off of the horse—no reins—just the horse, nose to nose that horse—that's the principle of cattle-cutting—nose to nose with that calf, kept it from rejoining the herd.

And I want you to know that I leave here inspired. I can't wait to get back on Capitol Hill. [*Laughter*]

Note: The First Lady spoke at 1:31 p.m. prior to the concert at Rancho Sierra Grande.

The performance was filmed for broadcast by the Public Broadcasting Service.

Nomination of James L. Malone To Be Ambassador at Large While Serving at the Law of the Sea Conference

March 8, 1982

The President today announced his intention to nominate James L. Malone to be Ambassador at Large in connection with his appointment as Special Representative of the President for the Law of the Sea Conference and Chief of Delegation. He would succeed Elliot L. Richardson.

Mr. Malone served in the United States Army as first lieutenant in 1954–1956. He was development officer at Beloit College in 1959–1961. He was assistant dean and lecturer in law at the University of California in 1961–1967 and was dean and professor of law at the College of Law of Willamette University in 1967–1968. He was visiting professor of law at the School of Law of the University of Texas in 1969.

He was senior principal trial attorney at the Federal Maritime Commission from 1970–1971. With the United States Arms Control and Disarmament Agency, he was Assistant General Counsel in 1971–1973, General Counsel and principal congressional liaison officer in 1973–1976, United States Representative to the Conference of the Committee on Disarmament, with the personal rank of Ambassador, in Washington and Geneva in 1976–1977, and Acting Director (January-May 1981). He was a consultant with the United States Nuclear Regulatory Commission in 1977–1978. He was principal attorney with Doub and Muntzing, Chartered Attorneys-at-Law, in Washington, D.C., in 1978–1981. Since 1981 he has been Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, Department of State, and Special Representative of the President for the Law of the Sea Conference and Chief of Delegation.

Mr. Malone was born December 22, 1931, in Los Angeles, Calif. He graduated magna cum laude (B.A.) in 1953 from Pomona College and received his J.D. in 1959 from Stanford Law School. He is married, has three children, and resides in McLean, Va.

Note: Mr. Malone's nomination, which was submitted to the Senate on March 11, was withdrawn by the President on July 27.

Remarks at a Luncheon With Members of the Senate Republican Policy Committee

March 9, 1982

I step back up here—I had to have a couple of reminders here in front of me, so I'm using the podium here, because I have a quote and I wouldn't want to get it wrong.

But it's a great pleasure to be here with all of you again. I thank you. And may I express my appreciation to the first Republican Majority Leader in 26 years, Howard Baker, who I think has been doing a magnificent job. And I've been most appreciative of the cooperation that we have had. And I for one am going to do all I can do to see that there is still a majority of you in the Senate next year.

I'd like to pay tribute also to your chairman, John Tower. I think of him as a statesman whose judgment I deeply respect. And I have been most pleased to call upon him for his vast knowledge and his good judgment with regard to our national security affairs.

In opening my remarks—I told you there was a quote—I would like to quote a few words by a very famous and celebrated orator, journalist, soldier, historian, and statesman. People have even said he might have made a great actor if he'd tried that. [*Laughter*] Winston Churchill. He said, "The idea that a nation can tax itself into prosperity is one of the crudest delusions which has ever befuddled the human mind." Now, I don't know how that quote happened to catch my eye—[*laughter*]—I realize it has nothing to do with the meeting here today.

But seriously, we are still faced with problems, social and economic, which have been piling up for almost half a century. Last year, we put together a bipartisan coalition, and for the first time in that half century, we charted a new course for this country. We've only barely set foot on that new path that we chose for the country. But those who had much to do with the policies of the past were now shouting, "Turn back!" Members of the other party—they haven't even waited to see where the path goes.

And it's true that we're in a recession. The people are feeling the effects, and they're not pleasant. And for those who are unemployed, in my view, they're completely tragic. But I believe the course we've embarked on offers the best hope for all of them.

There will always be room for improvement in any budget or economic policy, but we must have a budget. Where further savings are to be found or a better way of meeting agreed-upon goals can be worked out, I pledge my full cooperation to you, and I want to hear from you. But our first obligation must be to the American people.

We're coming out of a long night of government mismanagement and blundering. There's no quick fix. But I cannot accept the idea that a program which hasn't really started is responsible for the displeasures of today. Planned deficits and deliberate inflation as a supposed means of preserving prosperity was the policy of the Democrat-controlled Congresses for most of this last half century. Has there been any indication that they are not demanding a return to those past policies? If they are, they're doomed to failure.

These aren't easy times, as I said before. But together I believe we can hold down taxes. We can hold down spending and ensure a national defense that is able to preserve the peace. I'll be glad to consider any comprehensive congressional plan that meets this crucial standard. And I promise you that where we have honest differences, you can count on me to be willing to listen and a sincere partner.

But we must stand firm, I think, on the three basic commitments. Together, we must get on with the job of bringing the budget under control. We're already winning the battle against inflation. We can and we will bring interest rates down. And that is the absolute must in the problems confronting us. And we must continue to return the resources and responsibilities to the people that will mean more savings, more freedom, more economic opportunity, and more jobs.

I think that for the first time in this the eighth recession since World War II, it is the first time that there has been in place, before the recession started, a program that is designed to bring us out of that recession and bring us out, not with an artificial fix—the kind of thing that we've seen seven times before and each time the next time we dive, it's deeper—but will bring us out, back to a sound economy, and with our people who want jobs, having jobs, and with this government on the track that it should be on.

So, with that, I'm going to sit down, and we'll get on with the rest of the meeting.

Note: The President spoke at 12:45 p.m. in Room S–207 at the Capitol. Prior to the luncheon, he met with Senate Republican leaders and committee chairmen in the office of Senate Majority Leader Howard H. Baker, Jr. Following the luncheon, he met with Senate Minority Leader Robert C. Byrd.

Appointment of Donald F. Rodgers as a Member of the Federal Service Impasses Panel

March 9, 1982

The President today announced his intention to appoint Donald F. Rodgers to be a member of the Federal Service Impasses Panel, Federal Labor Relations Authority, for a term expiring January 10, 1985. He would succeed Irving Bernstein.

Since 1974 Mr. Rodgers has been director, Energy and Governmental Relations, International Brotherhood of Teamsters. He was Special Consultant to the President for Labor and Counselor to the Secretary of Labor in 1972–1974. He was executive director, New York Building and Construction Board of Urban Affairs, in 1969–1972. In 1970 he was labor adviser to the senatorial campaign of James Buckley in New York. He was business representative at the International Union of Operating Engineers in 1953–1969.

Mr. Rodgers graduated from Cornell University (B.S., 1952). He is married, has five children, and resides in Rockville, Md. He was born October 1, 1926.

Executive Order 12350—Termination of Urban and Community Impact Analyses

March 9, 1982

By the authority vested in me as President by the Constitution of the United States of America, Executive Order No. 12074 of August 16, 1978, entitled "Urban and Community Impact Analyses," is hereby revoked.

RONALD REAGAN

The White House,
March 9, 1982.

[*Filed with the Office of the Federal Register, 3:57 p.m., March 9, 1982*]

Letter to the Speaker of the House and the President of the Senate on Nuclear Cooperation With EURATOM

March 9, 1982

Dear Mr. Speaker: (Dear Mr. President:)

The United States has been engaged in nuclear cooperation with the European Community for many years. This cooperation was initiated under agreements concluded over two decades ago between the United States and the European Atomic Energy Community (EURATOM) and extends until December 31, 1995. Since the inception of this cooperation, the Community has adhered to all its obligations.

The Nuclear Non-Proliferation Act of 1978 amended the Atomic Energy Act to establish nuclear export criteria, including a requirement that the United States have a right to consent to the reprocessing of fuel exported from the United States. Our present agreements for cooperation with EURATOM do not contain such a right. To avoid disrupting cooperation with EURATOM, a proviso was included in the law to enable continued cooperation until March 10, 1980, and provide for negotiations concerning our cooperation agreements.

The law also provides that nuclear cooperation with EURATOM can be extended on an annual basis after March 10, 1980, upon determination by the President, and after notification to the Congress, that failure to cooperate would seriously prejudice the achievement of United States non-proliferation objectives or otherwise jeopardize the common defense and security. President Carter made such a determination two years ago and signed Executive Order No. 12193, permitting continued nuclear cooperation with EURATOM until March 10, 1981. I made such a determination last year and signed Executive Order No. 12295, permitting continued nuclear cooperation through March 10, 1982.

The United States has engaged in several rounds of talks with EURATOM regarding the renegotiation of the United States-EURATOM agreements for cooperation, and progress has been made toward clarifying the issues relating to these agreements. EURATOM has agreed to enter the next phase of the discussions, and talks continued this January.

I believe that it is essential that cooperation between the United States and the Community continue and likewise that we work closely with our Allies to counter the threat of nuclear explosives proliferation.

Nuclear proliferation is the most essential issue of modern times. With Soviet cooperation, we could substantially reduce the grim threat of nuclear war that hangs over Europe. We could lift the great weight that the people of Europe currently feel pressing down upon them. I have urged the Soviet Union to join with us in serious and determined negotiations to ease the nuclear burden. I remain hopeful the Soviets will respond positively to our proposals for lessening the prospect of nuclear conflict.

I have determined that failure to continue peaceful nuclear cooperation with EURATOM would be seriously prejudicial to the achievement of United States nonproliferation objectives and would otherwise jeopardize the common defense and security of the United States. I intend to sign an Executive Order to extend the waiver of the application of the relevant export criterion of the Nuclear Non-Proliferation Act for an additional 12 months from March 10, 1982.

Sincerely,

RONALD REAGAN

Note: This is the text of identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and George Bush, President of the Senate.

The text of the letters was released by the Office of the Press Secretary on March 10.

Executive Order 12351—Nuclear Cooperation With EURATOM

March 9, 1982

By the authority vested in me as President by the Constitution and statutes of the United States of America, including Section 126a(2) of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2155(a)(2)), and having determined that, upon the expiration of the period specified in the first proviso to Section 126a(2) of such Act and extended by Executive Orders No. 12193 and No. 12295, failure to continue peaceful nuclear cooperation with the European Atomic Energy Community would be seriously prejudicial to the achievement of United States nonproliferation objectives and would otherwise jeopardize the common defense and security of the United States, and having notified the Congress of this determination, I hereby extend the duration of that period to March 10, 1983.

RONALD REAGAN

The White House,
March 9, 1982.

[Filed with the Office of the Federal Register, 10:41 a.m., March 10, 1982]

Note: The text of the Executive order was released by the Office of the Press Secretary on March 10.

Proclamation 4907—Imports of Petroleum

March 10, 1982

By the President of the United States of America

A Proclamation

The Secretaries of Commerce and Energy have advised me that the threat to the national security posed by imports of petroleum continues. The Secretaries, in conjunction with the Secretaries of State, Defense, and Treasury, advise that we no longer consider Libya to be a reliable supplier of United States energy needs, and that we must ensure we are not vulnerable to Libyan action in this area. Libyan policy and action supported by revenues from the sale of oil imported into the United States are inimical to United States national security. The Secretaries recommend that I take steps immediately to eliminate the dependence of the United States on Libya as a source of crude oil.

I agree with the recommendation and believe that the changes proposed are consistent with the purposes of Proclamation

3279, as amended, and the national security findings on which it is based.

Now, Therefore, I, Ronald Reagan, President of the United States of America, by the authority vested in me by the Constitution and the laws of the United States, including Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), do hereby proclaim that:

Section 1. Section 1 of Proclamation 3279, as amended, is further amended by the revision of paragraph (e) to read as follows:

Sec. 1(e). Notwithstanding any other provision of the Proclamation, no crude oil produced in Libya (except crude oil loaded aboard maritime vessels at any time prior to March 12, 1982) may be imported into the United States, its territories or possessions.

Sec. 2. Section 11 of Proclamation 3279, as amended, is further amended by the revision of paragraph (1) to read as follows:

Sec. 11(1). The term "imports", when applied to crude oil other than that produced in Libya, includes both entry for consumption and withdrawal from warehouse for consumption, but excludes unfinished oils and finished products processed in the United States territories and foreign trade zones from crude oil produced in the United States.

In Witness Whereof, I have hereunto set my hand this tenth day of March, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 1:09 p.m., March 10, 1982]

Remarks on Signing the Afghanistan Day Proclamation
March 10, 1982

I can't help but say—thank you all very much—but I can't help but recall that I was in Iran on the day that the first coup took place by the Soviet Union in their overthrow there of the government.

I take particular satisfaction in signing today the proclamation authorized by Joint Resolution No. 142, which calls for the commemoration of March 21st as Afghanistan Day throughout the United States. This resolution testifies to America's deep and continuing admiration for the Afghan people in the face of brutal and unprovoked aggression by the Soviet Union.

A distinguished former Secretary of State, William P. Rogers, is coordinating the observance of Afghan Day in the United States. He not only has my strong support but that of former Presidents Carter, Ford, and Nixon and former Secretaries of State Muskie, Vance, Kissinger, and Rusk.

The Afghans, like the Poles, wish nothing more, as you've just been so eloquently told, than to live their lives in peace, to practice their religion in freedom, and to exercise their right to self-determination. As a consequence, they now find themselves struggling for their very survival as a nation. Nowhere are basic human rights more brutally violated than in Afghanistan today.

I have spoken on occasion of the presence of unsung heroes in American life. Today, we recognize a nation of unsung heroes whose courageous struggle is one of the epics of our time. The Afghan people have matched their heroism against the most terrifying weapons of modern warfare in the Soviet arsenal. Despite blanket bombing and chemical and biological weapons, the brave Afghan freedom-fighters have prevented the nearly 100,000-strong Soviet occupation force from extending its control over a large portion of the countryside.

Their heroic struggle has carried a terrible cost. Many thousands of Afghans, often innocent civilians, women and children, have been killed and maimed. Entire villages and regions have been destroyed and depopulated. Some 3 million people have been driven into exile—that's one out of every five Afghans. The same proportion of Americans would produce a staggering 50 million refugees.

We cannot and will not turn our backs on this struggle. Few acts of international aggression have been so universally condemned. The United Nations has repeatedly called for the withdrawal of Soviet forces. The Islamic Conference, deeply troubled over this assault on Moslem religion, has four times condemned the Soviet occupation. The nonaligned movement has added its voice to the demands for withdrawal of foreign troops.

Most recently, as you've been told, the European Parliament took the leadership in advancing the idea of a worldwide commemoration of Afghanistan Day. On behalf of all Americans, I want to thank the members of the European Parliament for this action and welcome today the participation of Egon Klepsch, Vice President of the European Parliament, and his distinguished colleagues.

I also want to express the hope that people the world over will respond with eagerness and determination. And in that connection, I want to express my particular appreciation that we're joined here today by members of the parliaments of Japan, Kenya, Panama, Thailand, and Austria.

We must go beyond public condemnation of the Soviet puppet regime in Kabul to bring relief and an early end to the Afghan tragedy. We have a human responsibility to the Afghan refugees. The United States has given generous support to the U.N.'s refugee effort. And I'm pleased to announce today an additional commitment of $21.3 million worth of food. This contribution will bring the total U.S. support for the refugees to over $200 million in the past 2 years. But I ask that all Americans supplement these funds with personal donations to organizations which work with Afghan refugees and the cause of a free Afghanistan.

Beyond this, the United States is determined to do everything politically possible to bring the Soviet Union to the negotiating table. We and our allies have made clear that Afghanistan will remain a central issue in U.S.[-Soviet] [1] Government and East-West relations as long as Soviet forces continue to occupy that nation. We have used, and will continue to use, every available opportunity, including the last meeting between Secretary Haig and Soviet Foreign Minister Gromyko, to urge the Soviets to enter into genuine negotiations for a peaceful settlement of the Afghan crisis.

In that spirit I want to address the claim made by the Soviet Union—that its troops entered Afghanistan and must remain there as a result of foreign intervention against the Kabul government. The world is well aware that this is nothing more than propaganda designed to divert international attention from the sordid reality. The foreign interference in Afghanistan comes from the nearly 100,000 Soviet armed invaders. The United States has consistently followed a policy of noninterference in Afghanistan's internal affairs. We similarly supported the nonaligned character of the previous Afghanistan Governments. The fire of resistance in Afghanistan is being kindled and sustained not by outside forces, but by the determination of the Afghan people to defend their national independence.

We and most other members of the international community have repeatedly stressed to the Soviets both publicly and privately that we have no objectives in Afghanistan beyond those set forth in the U.N. General Assembly resolutions. These are the withdrawal of the Soviet forces, the free exercise of self-determination for the Afghan people, the restoration of Afghanistan's nonaligned status, and the safe and honorable return of Afghan refugees to their homes. Unfortunately, the Soviet Union has to date rejected all attempts to move toward an internationally acceptable solution.

In 1980 it refused to receive emissaries of the Islamic Conference, who wished to travel to Moscow to discuss a political solution. In 1981 it was the British foreign minister who was rudely rebuffed when he presented a very sensible proposal of the European Community for a two-tiered international conference, which is still on the table. Finally, the Soviets have evaded the issue, insisting that the U.N. Secretary-General seek a solution in Kabul, Islamabad, and

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[1] *White House correction.*

Tehran rather than at the source of the aggression in Moscow.

The Soviet Union bears a grave responsibility for the continuing suffering of the Afghan people, the massive violations of human rights, and the international tension which has resulted from its unprovoked attack. The Soviet Union must understand that the world will not forget, as it has not forgotten the peoples of the other captive nations from Eastern Europe to Southwest Asia—who have suffered from Soviet aggression. This is the meaning of Afghanistan Day, that the Afghan people will ultimately prevail.

Coincidentally, the day after Afghanistan Day, this country plans to launch the third *Columbia* space shuttle. Just as the *Columbia,* we think, represents man's finest aspirations in the field of science and technology, so too does the struggle of the Afghan people represent man's highest aspirations for freedom. The fact that freedom is the strongest force in the world is daily demonstrated by the people of Afghan. Accordingly, I am dedicating on behalf of the American people the March 22d launch of the *Columbia* to the people of Afghanistan.

And in that same spirit I call on all Americans to observe Afghanistan Day in their thoughts, their prayers, their activities, and in their own renewed dedication to freedom. With the help of those assembled here today, the unanimous backing of the Congress, and the support of the American people, I'm confident that this day will mark a true celebration, and not just for freedom in Afghanistan, but, for freedom wherever it is threatened or suppressed the world over.

Now, I shall sign the proclamation.

Note: The President spoke at 12:01 p.m. at the signing ceremony in the East Room at the White House.

Proclamation 4908—Afghanistan Day
March 10, 1982

By the President of the United States of America

A Proclamation

In December 1979, the Soviet Union invaded Afghanistan without provocation and with overwhelming force. Since that time, the Soviet Union has sought through every available means, to assert its control over Afghanistan.

The Afghan people have defied the Soviet Union and have resisted with a vigor that has few parallels in modern history. The Afghan people have paid a terrible price in their fight for freedom. Their villages and homes have been destroyed; they have been murdered by bullets, bombs and chemical weapons. One-fifth of the Afghan people have been driven into exile. Yet their fight goes on. The international community, with the United States joining governments around the world, has condemned the invasion of Afghanistan as a violation of every standard of decency and international law and has called for a withdrawal of the Soviet troops from Afghanistan. Every country and every people has a stake in the Afghan resistance, for the freedom fighters of Afghanistan are defending principles of independence and freedom that form the basis of global security and stability.

It is therefore altogether fitting that the European Parliament, the Congress of the United States and parliaments elsewhere in the world have designated March 21, 1982, as Afghanistan Day, to commemorate the valor of the Afghan people and to condemn the continuing Soviet invasion of their country. Afghanistan Day will serve to recall not only these events, but also the principles involved when a people struggles for the freedom to determine its own future, the right to be free of foreign interference and the right to practice religion according to the dictates of conscience.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate March 21, 1982, as Afghanistan Day.

In Witness Whereof, I have hereunto set my hand this tenth day of March, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 3:54 p.m., March 10, 1982*]

Remarks at a White House Luncheon for the Chairman and Executive Committee of the Private Sector Survey on Cost Control in the Federal Government

March 10, 1982

I'm glad to have an occasion like this to say thank you all for coming. But believe me, I really mean it to this particular group that is here, thank you for coming.

The job that I'm asking you to do is to find ways that we can save money in the Federal budget. That probably comes as a surprise to you that we'd be concerned with that—[*laughter*]—but it's as important as any request that I've made since I've been President.

We have a problem that's been 40 years in the making, and we have to find ways to solve it. And I didn't want to ruin your appetites, so I waited till now to tell you this, but during the hour we're together here eating and talking, the Government has spent $83 million. And by the way, that includes the price of your lunch. [*Laughter*] Milton Friedman is right. There really is no such thing as a free lunch. The interest on our debt for the last hour was about $10 million of that.

In selecting your Committee, we didn't care whether you were Democrats or Republicans. Starting with Peter Grace, we just wanted to get the very best people we could find, and I think we were successful.

I'll repeat to you today what I said a week ago when I announced Peter's appointment: Be bold. We want your team to work like tireless bloodhounds. Don't leave any stone unturned in your search to root out inefficiency.

I'd like to make one other request. We hope that the corporations and organizations that you represent will be willing to assist your projects with personnel, when they're needed, and even funds.

When I was Governor of California, one of the first actions I took was to conduct a survey of this kind, and I made a similar request then. And about 250 private sector top people from every line of activity in our State volunteered to come in and give us recommendations. They also came through with some contributions and donations of hardware and equipment to support the activities of the survey. But that's the least important thing. That isn't really why you're here. What we're here for today is we want your blood. And we had veterans there of the—in case you're curious about how this operates—of the hotel industry, for example, the top men in California in the hotel business.

They went into our prisons and into our State institutions, and they looked at them as a kind of hotel and looked at that type of operation, not what the warden was doing. And it was amazing the things they found that from their standpoint and their expertise could be done to not only improve the conditions but improve them at a much lower price than the State had been accustomed to paying.

We had business executives that found fantastic savings just in such routine things as filing, storage files that weren't utilized but were stored in expensive, per-square-foot office space, when they could have been out in much lower-cost warehouse-type space.

We had teams of people who were experts in fleet buying of automobiles, and we discovered that the State had no such plan, had never had any system for buying. Any department, when it was ready, just went out and got rid of what they had and bought new ones on their own.

And that was changed as a result of these task forces and created such a stiff system, so efficient in the State, that we then were able to offer the service to counties and cities that had the same problem, and we'd do the job for them.

At the same time, when all this was going on, there were people who charged that while the State employees would resent this outside interference—and I'm sure that they did kind of look down their nose for a little bit to see what this was and whether this was just some new thing that was going to wind up with some papers on a shelf—but when they saw that it was for real, they came out of the woodwork. They were delighted to help. And many times we heard repeated this statement from them. They said, "Well, no one before has ever tried to make things more efficient and more economical in this way." And they, from their own experience, came up volunteering suggestions.

All in all, they brought in about 2,000 cost-saving recommendations after about 117 days. We implemented more than 1,600 of those recommendations. And that is exactly what we have in mind. We need your help, that of the groups that you represent, to make this effort every bit as successful as the California project was, if not more so.

In reality, we have a task force that's looking for waste and fraud and that sort of thing, and very successfully. But what we need from you and your expertise and your associates is to literally come in to the various departments and agencies of government and look at them as if you were considering a merger or a takeover, and to see how modern business practices could be put to work to make government more efficient and more effective. And if you find those things, I assure you, we'll break down the doors in implementing them, bringing them about.

Now, you've talked about this for a long time at the 19th hole—[*laughter*]—and now you've got a chance to really get in and do something about it. And I just have to tell you; I can't resist. I have to tell you just one little experience.

One man in a task force one day was watching State employees in California. This happens to be a favorite story that my staff has heard 10,000 times. But he noticed them doubling these manila folders over and putting them in the files. Well obviously, if you have to double them to get them in, you have cut the file capacity in half. And he said, "Why?" "Well," they said, "the State forms are printed in this size, and it's bigger than the file case." He said, "Why's that?" They said, "They've always been printed that way." So he just picked up the phone and called the State printer, read the number off the top of the paper, and said, "From now on"—and he measured the filing cabinet—he said, "Print those forms on"—and he gave them the proper dimension. And that year, we bought 4,200 fewer file cabinets in California. [*Laughter*]

There are a million things that you think of and take for granted every day in your business that you'll find they don't take it for granted in Washington, and it isn't done that way, and that's what it's all about.

So, thank you for your commitment. We're counting on you. And now, I apologize for having to eat and run, but I know that Peter Grace and Bud Nance and Janet Colson have some more activities planned for you, and they'll be telling you about that. And if you don't mind, I'll go over to the Oval Office and do what that little girl told me the first week I was here when she wrote me a letter and ended her letter with the line, "Now, get over to the office and go to work." [*Laughter*]

Note: The President spoke at 1:05 p.m. in the State Dining Room at the White House. J. Peter Grace, chairman and chief executive officer of W. R. Grace and Co., is the Chairman of the Survey. The Coordinating Office at the White House is directed by James W. Nance, and the Deputy Director is Janet Colson.

Appointment of 42 Members of the Commission on Presidential Scholars, and Designation of Chairman

March 10, 1982

The President today announced his intention to appoint the following persons to be members of the Commission on Presidential Scholars. He also intends to designate Beverly Fisher White to be Chairman of the Commission.

Beverly Fisher White was director of cultural affairs for the State of Florida. She resides in Miami, Fla.

Don W. Adams is president and chief executive officer of Lincoln Center, Inc., in Springfield, Ill.

Virginia M. Berg is a homemaker and has been active in Republican Party politics. She resides in St. Paul, Minn.

Helen Bie is Republican National committeewoman from Wisconsin and resides in Green Bay.

Grace Ward Boulton is serving as Republican National committeewoman for Oklahoma. She resides in Oklahoma City, Okla.

Ward B. Brown has been serving as State senator for district 19 in New Hampshire since 1971. He resides in East Hampstead, N.H.

John S. Carroll is a partner in the law firm of Carroll and Smith in Honolulu, Hawaii.

Robert S. Carter is president of Robert S. Carter Associates in Washington, D.C.

Fran Chiles is serving as Republican National committeewoman from Texas and resides in Ft. Worth.

Aubyn A. Curtiss is currently serving as a legislator in the Montana house of representatives. She resides in Fortine, Mont.

Jean K. Elder is an educational consultant, department of education, State of Michigan. She resides in Okemos, Mich.

Timothy M. Fermoile is currently a management trainee with Vac Air Nevada, Inc., in Sparks, Nev., and resides in Reno.

Hugh C. Fowler is a State senator from Colorado. He is also vice president, HMO Systems. He resides in Littleton, Colo.

Jewett M. Fulkerson is vice chairman, Clay County Park and Recreation Commission. He is also president of Liberty Hills Development in Liberty, Mo.

Victor Gaston is assistant principal for the Mobile County public school system. He resides in Mobile, Ala.

Alberta J. K. Gibbons is Republican National committeewoman from Utah. She resides in Blanding, Utah.

June Grayson is a political and business consultant in Little Rock, Ark., where she resides.

Robert A. Hall is director, department of health and environmental protection, municipality of Anchorage. He resides in Anchorage, Alaska.

William R. Harvey is president of Hampton Institute in Hampton, Va.

Leslie D. Jamison is director of information and referral services, and director of housing counseling (HUD and FMHA) at Trident United Way. She resides in Charleston, S.C.

Edward J. Joffe, Sr., is president and owner of Park Custom Molding in Linden, N.J. He resides in Summit, N.J.

Morris Kay is serving as Republican State chairman of Kansas. He resides in Lawrence, Kans.

Margaret Kelly is secretary/treasurer of Kelly Oil and Kelly Realty in Rawlins, Wyo., where she resides.

Jim Kolbe is a State senator from Arizona. He is also vice president of Wood Canyon Corp. He resides in Tucson, Ariz.

John J. Lainson is secretary, director, and executive committee member for Dutton-Lainson Co. in Hastings, Neb.

Steven A. Merksamer is serving as special assistant attorney general for the State of California. He resides in Sacramento, Calif.

Diane W. McCoy is Republican National committeewoman from North Carolina. She resides in Summerfield, N.C.

John R. McKernan, Jr., is a partner with the law firm of Verrill and Dana in Portland, Maine. He resides in Cumberland Foreside, Maine.

Evelyn W. McPhail is general manager of Fairway Villa Resort in Bay St. Louis, Miss.

Dorothea Moore has been active in the Republican Party on the State and local levels for over 20 years. She resides in Moro, Oreg.

James T. Neal is publisher of the Noblesville Daily Ledger in Noblesville, Ind.

Sanford C. Nemitz is administrator, Oil and Gas Partnerships, in Plymouth Meeting, Pa. He resides in Warrington, Pa.

Hernan Padilla is serving as mayor of San Juan, P.R.

Betty Lou Pyle is Republican National committeewoman from North Dakota. She resides in West Fargo, N. Dak.

Edward Russell Redd is associate general counsel for the Massachusetts Port Authority and resides in Boston.

Donna Weintraub Sternberg is currently vice president of Goudchaux's, Inc., in Baton Rouge, La., where she resides.

Mary Stivers is a homemaker and has been involved in the Republican Party in Decatur, Ga.

Don Sunquist is president of GSA Corp. in Memphis, Tenn.

Larry D. Swann is currently with Four Star Realty in Salem, W. Va.

Harold D. Weidman is co-owner and principal broker of Kay Realty in Ludlow, Vt.

Eunice B. Whittlesey is serving as legislative liaison for New York State senate standing committee on commerce and economic development. She resides in Scotia, N.Y.

George W. Wittgraf is a partner with the firm of McDonald, Sayre and Wittgraf in Cherokee, Iowa.

Proclamation 4909—National Energy Education Day, 1982

March 10, 1982

By the President of the United States of America

A Proclamation

Over its two-hundred-year history, this nation grew and prospered through the abundant production and use of energy. The American people began by using wood for nearly all of their needs, started using coal in large quantities in the mid-1800's, and moved to large-scale oil and gas use in the early part of the twentieth century.

All of these energy sources will continue to have an important role. But new sources are coming along as well: atomic power, now used to generate more than 12 percent of our electricity; solar energy; synthetic fuels; biomass; and a host of other new technologies.

The significant innovations in energy that took place over the past two hundred years were the product of the vision and foresight of citizens working through our free market economy.

Today, with our own precious resources more limited, an important share of our energy supplies is threatened by political uncertainties in oil exporting regions. It is critical that our nation continue to take advantage of the ingenuity and talent of the American people to produce and consume energy efficiently.

Toward this end, my Administration has removed oil price controls and eliminated over 200 burdensome regulations associated with those controls. In so doing, we have provided new incentives for private industry to develop domestic energy resources and produce domestic energy supplies that were not feasible with fuel prices set at an artificially low level. Realistic pricing, of course, has also encouraged consumers to use energy more efficiently.

The decontrol of oil prices has been a success. Despite higher economic growth in 1981 than predicted:

- Oil consumption has fallen by 1.1 million barrels per day.
- Net oil imports have dropped below one-third of consumption for the first time since 1972.
- Oil production began to increase for the first time in a decade.
- Oil prices actually fell in real terms.

The challenge ahead is to create a healthy economy that enables citizens, businesses, and state and local governments to make rational energy production and consumption decisions which reflect the true value of this nation's resources.

Today, more than ever, it is important for all Americans to understand that the United States and its allies are participants in a world energy market. Our effectiveness in that market depends in large measure on our ability to unleash the industrial and economic strengths of this nation.

To focus our attention on energy education for the young—in both public and private schools, and at all grade levels—and in an effort to bring together teachers, school officials, and parent groups to help our children understand our domestic and international energy situation now and in the future, the 97th Congress has by Senate Joint Resolution 84 proclaimed March 19, 1982, as National Energy Education Day.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby call upon all citizens and government officials to observe Friday, March 19, 1982, as National Energy Education Day with appropriate ceremonies and activities. I direct all agencies of the Federal government to cooperate with and participate in the celebration of National Energy Education Day.

In Witness Whereof, I have hereunto set my hand this 10th day of March, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 11:22 a.m., March 11, 1982]

Note: The text of the proclamation was released by the Office of the Press Secretary on March 11.

Statement by Deputy Press Secretary Speakes on the Sale of the Trident II Missile System to the United Kingdom

March 11, 1982

Today in London, the British Government is informing the House of Commons of its decision to purchase from the United States the Trident II (D–5) missile system, rather than the Trident I (C–4) system. When the President decided in October 1981 that the U.S. Navy would develop the Trident II missile, he informed the British Government that it would be available for purchase by the United Kingdom. In an exchange of letters today, Prime Minister Thatcher formally requested that the United States sell the Trident II missile, and the President agreed.

Beginning during the Second World War, the United States has cooperated intimately with the United Kingdom on nuclear matters. In President Roosevelt's administration, American and British scientists began working together on the development of nuclear weapons. In 1962 at Nassau, President Kennedy agreed to assist the British in the development of their strategic nuclear forces by selling Polaris missiles to the United Kingdom. Today's announcement signals a continuation of this longstanding cooperation, which is a central element in the close cooperation between the United States and the United Kingdom.

The primary reason for the British choice of the Trident II missile over the Trident I is to maintain commonality with the United States Navy. Although the performance of the Trident I was adequate for British purposes, there would be a long-term logistic and cost penalty associated with the uniqueness of the system once the United States Navy made the transition to the Trident II missile.

The administration believes the independent British strategic nuclear force which is assigned to NATO makes an important contribution to the ability of the North Atlantic Alliance to deter Soviet aggression. For this reason, the President has decided to continue to assist the United Kingdom in the maintenance of a modernized, independent British deterrent force into the twenty-first century. In addition, the President's letter welcomes the Prime Minister's commitment to use savings from cooperation in the strategic nuclear field to strengthen British conventional forces, which are also vital to the NATO deterrent.

Letter to Prime Minister Margaret Thatcher of the United Kingdom on the Sale of the Trident II Missile System

March 11, 1982

Dear Margaret:

Thank you for your letter of March 11.

I am pleased to confirm that the United States Government is prepared to supply to the United Kingdom TRIDENT II missiles, equipment and supporting services as proposed in your letter, subject to and in accordance with applicable United States law and procedures.

The United States readiness to provide these systems is a demonstration of the great importance which the United States Government attaches to the maintenance by the United Kingdom of an independent nuclear deterrent capability. I can assure you of the United States' willingness to cooperate closely with the United Kingdom Government in maintaining and modernizing that capability.

I attach great importance to your assurance that the United Kingdom TRIDENT II force will be assigned to NATO and that the economies realized through cooperation between our two governments will be used to reinforce the United Kingdom's efforts to upgrade its conventional forces. Such nuclear and conventional force improvements are of the highest priority for NATO's security.

I agree that, as the next step, our two governments should initiate the technical and financial negotiations which you propose.

Sincerely,

RON

[The Right Honorable Margaret R. Thatcher, M.P., Prime Minister, London]

Dear Mr. President:

I wrote to your predecessor on 10 July 1980 to ask whether the United States Government would be ready to supply Trident I missiles equipment and supporting services to the United Kingdom on a similar basis to that on which the Polaris missiles were supplied under the Polaris Sales Agreement of 6 April 1963. President Carter replied on 14 July confirming that the United States Government were prepared to do so, subject to and in accordance with applicable United States law and procedures.

In the light of decisions taken by the United States Government in 1981 to accelerate their own programme to procure Trident II missiles, and to phase out the Trident I programme earlier than had hitherto been intended, the United Kingdom Government have carried out a review of their nuclear deterrent programme. In the light of this review, I am now writing to ask whether in place of Trident I missiles the United States Government would be ready to supply Trident II missiles, equipment and supporting services on a continuing basis and in a manner generally similar to that in which Polaris was supplied. The United Kingdom Government would wish to purchase these missiles complete with multiple, independently targettable reentry vehicles but without the warheads themselves. I propose that, as in the past, close co-ordination should be maintained between the executive agencies of the two Governments in order to assure compatibility of equipment.

Like the Polaris force, and consistent with the agreement reached in 1980 on the supply of Trident I missiles, the United Kingdom Trident II force will be assigned to the North Atlantic Treaty Organisation; and except where the United Kingdom Government may decide that supreme national interests are at stake, this successor force will be used for the purposes of international defence of the Western alliance in all circumstances. It is my understanding that co-operation in the modernisation of the United Kingdom nuclear deterrent in the manner proposed would be consistent with the present and prospective international obligations of both parties.

I would like to assure you that the United Kingdom Government remain wholly committed to the strengthening of the Alliance's conventional forces. The United Kingdom Government have in recent years substantially increased their defence spending and further increases are planned for the future in order to sustain the United Kingdom's all-round contribution to allied deterrence and defence. The economies made possible by the United States Government's co-operation with respect to the supply of the Trident I missile system will be used in order to reinforce the United Kingdom Government's continuing efforts to upgrade their conventional forces.

If the United States Government are prepared to meet this request, I hope that as the next step you will be prepared to receive technical and financial missions to pursue these matters using the framework of the Polaris Sales Agreement where appropriate.

Yours sincerely

MARGARET THATCHER

[The President of the United States of America]

Exchange of Letters Between Secretary of Defense Caspar W. Weinberger and British Secretary of State for Defence John Nott on the Sale of the Trident II Missile System to the United Kingdom

March 11, 1982

Dear John:

In the exchange of letters between the President and the Prime Minister of today's date, it was agreed that the United States Government would supply Trident II missiles to the United Kingdom. I am writing now to record our joint understanding on specific aspects of the agreed arrangements for the sale of the Trident II (D-5) missile system and associated equipment.

It is understood that the Polaris sales agreement of 1963 and its implementing agreements will be the general pattern for the sale of the Trident II (D-5) missile system.

It is agreed that the United Kingdom will pay a total contribution to research and development for the Trident II (D-5) system equivalent to $116 million in Fiscal Year 1982 dollars, subject to actual payments being adjusted to reflect an agreed inflation index.

It is understood that the United Kingdom acknowledges that waiver by the United States of all charges (other than the administrative charge) in excess of $116 million will fully satisfy the requirement that the United States Government give defense assistance to the United Kingdom defense budget in return for manning by the United Kingdom of Rapier air defense of United States Air Force bases in the United Kingdom, and support and servicing for these Rapier systems. In addition it is understood that the United Kingdom will employ additional savings represented by the remainder of the United States waiver to reinforce its efforts to upgrade its conventional forces.

With respect to procurement of the Trident II (D-5) weapon system, the Department of Defense is prepared to undertake, subject to compliance with United States law and national policy:

—to permit United Kingdom manufacturers to compete on the same terms as United States firms for subcontracts for Trident II (D-5) weapon system components for the program as a whole;

—to ensure that Department of Defense procedures bearing on such competition for such Trident II (D-5) weapon system components are consistent with this general principle; and

—to designate appropriate United States staff in both countries to provide a point of contact for United Kingdom manufacturers, and to offer advice and briefing.

The United States attaches great importance to the maintenance by the United Kingdom Government of an independent nuclear deterrent. I am, therefore, pleased that it has been possible to reach this agreement between our two countries. I regard this arrangement as a significant contribution to the maintenance of stability and peace.

With warm regards,

CAP WEINBERGER

[The Honorable John Nott, Secretary of State, Ministry of Defence, Main Building, Whitehall, London SW1A 2HB, England]

Dear Cap,

Thank you for your letter of today's date dealing with specific aspects of the arrangements for the purchase by the United Kingdom Government of the Trident II (D-5) missile system.

I confirm that my understanding of the agreed arrangements is in accord with that set out in your letter.

Our agreement on this is further evidence of the closeness of the co-operation between our two countries and is a matter of the greatest satisfaction to the United Kingdom Government.

Yours sincerely

JOHN NOTT

[The Honorable Caspar Weinberger]

Memorandum on the Financing of Foreign Agricultural and Rural Development Projects

March 11, 1982

Presidential Determination No. 82-10

Memorandum for the Secretary of State, the Secretary of Agriculture

Subject: Waiver of Section 302(c)(1)(C) of the Agricultural Trade Development and Assistance Act of 1954, as amended (P.L. 480)—Title III Food For Development

Pursuant to the authority vested in me under the Agricultural Trade Development and Assistance Act of 1954, as amended (hereinafter termed "the Act"), I hereby:

Determine that in fiscal year 1981 there were an insufficient number of agricultural and rural development projects which qualified for assistance under Title III of the Act and that therefore the humanitarian purposes of the Act were better served by furnishing financing under other provisions of the Act. Therefore, I waive the minimum requirement of Section 302(c)(1)(C) of the Act with respect to fiscal year 1981.

RONALD REAGAN

Letter to the Speaker of the House and the President of the Senate on the Financing of Foreign Agricultural and Rural Development Projects

March 11, 1982

Dear Mr. Speaker: (Dear Mr. President:)

In accordance with Section 302(c)(2) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480), I have waived the requirement of Section 302(c)(1)(C) that at least 15 percent of the aggregate value of all agreements entered into under Title I in fiscal year 1981 also be entered into under the provisions of Title III of the Act.

The aggregate value of all Title I agreements signed during fiscal year 1981 was $792.8 million. The value of "Food for Development" programs authorized by Title III in these agreements was $92.5 million, 11.7 percent of the aggregate value. Title

III agreements were signed and implemented with Senegal ($7 million), Sudan ($20 million), Bangladesh ($50.5 million), and Egypt ($15 million). These values represent the fiscal year 1981 financing of multi-year programs initiated in prior years.

The shortfall of $26.4 million from the 15 percent level of $118.9 million was due to an insufficient number of agricultural and rural development projects meeting the criteria of Title III during the year, and a consequent programming of funds to meet the humanitarian purposes of P.L. 480. In the Title I program plan for 1981 transmitted to the Congress on September 30, 1980, pursuant to Section 408(b) of the Act, a total of $133.2 million was identified as likely to be carried out under Title III authorities. This represented approximately 16.7 percent of all planned Title I programs anticipated at that time. Developments in two countries initially intended to receive Title III programs caused the reduction of $40.7 million in Title III financing to the final $92.5 million level.

First, excellent foodgrain production in Bangladesh significantly reduced that country's need for food assistance, particularly for wheat. While the initial plan was for $72.8 million for Bangladesh under Title III, the agreement finally signed was for $50.5 million, a $22.3 million reduction. When it became apparent that requirements for wheat imports to Bangladesh had decreased greatly, vegetable oil was included in the agreement to keep the level of Title III financing closer to the level initially allocated, but the original target could not be reached.

The second country where there was a change in the planned level of Title III financing was Bolivia. In view of events in Bolivia and the reduced scope of our bilateral relationship, the multi-year Food for Development program was suspended in fiscal year 1981. While the initial allocation for Bolivia was $18.4 million, Congress was notified, in the June 30, 1981 program plan, that the Bolivia Title III program would not be implemented that year.

During the year, efforts were made to help other eligible countries identify appropriate Title III projects. In some cases considerable progress was made, but the process of negotiating agreements and supplying commodities could not be completed in fiscal year 1981.

In one country, a Title III project was being designed when a food crisis required that food be supplied rapidly under a Title I agreement. In another country, the team sent to do a feasibility study reported that although good prospects exist for a Title III program, a considerable amount of time and effort for planning and negotiating the project will be required.

Pursuant to Section 302(c)(2) of the Act, funds allocated but not used for Title III were programmed under Title I to meet humanitarian needs in countries which experienced adverse developments in their domestic food situations. Such countries included Morocco, Madagascar, Kenya, Malawi and Sudan, which together received Title I assistance totaling $42.5 million not included in initial allocations for fiscal year 1981.

U.S. Government representatives will continue to seek ways of promoting greater development through the Title III programs.

Sincerely,

RONALD REAGAN

Note: This is the text of identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and George Bush, President of the Senate.

Message to the Congress Transmitting the Annual Report on Nuclear Nonproliferation

March 11, 1982

To the Congress of the United States:

My policy statement on non-proliferation and peaceful nuclear cooperation last July highlighted the key elements of continuity in United States policy to prevent the spread of nuclear explosives and those areas where we need to adopt new directions or different approaches. We will continue our efforts to strengthen the non-proliferation regime and the framework for peaceful nuclear cooperation, and we look forward to working closely with Congress toward these shared objectives.

I am pleased to submit the fourth annual report called for by Section 601(a) of the Nuclear Non-Proliferation Act of 1978 (Public Law 95–242). This report which covers calendar year 1981 has been prepared by the Department of State in collaboration with other concerned departments and agencies.

RONALD REAGAN

The White House,
March 11, 1982.

Remarks at a White House Reception for Members of the National Newspaper Association

March 11, 1982

Thank you very much. I learned in public speaking you should never open with an apology, but I have to apologize. I know I'm late. But I have to tell you something. You know that old song from World War I, "Someday I'm going to murder the bugler"—[*laughter*]—"and then I'm going to get that other pup, the one that wakes the bugler up." I'm going to find out who it is that puts down where I'm going to be every 15 minutes, because about 20 minutes after I get up in the morning, I'm already behind schedule. [*Laughter*]

It's a pleasure to welcome you all, again, here to the White House. I'm sorry that Nancy couldn't be with us. She was supposed to be, but there was a hitch again in schedules and she can't be.

Now, I know that since last year you've all been wondering what we've been doing here. [*Laughter*] You know, in the old days of vaudeville, it used to be that ambitious young vaudevillians—or even some that weren't so young—used to go into an empty theater and try out in front of a blasé booking agent who'd be sitting down there in one of the front seats with a cigar, all alone in the theater, watching them do their act—very hard to please. And there was a young fellow came in with an act, wanted to break into vaudeville, and walked out on the stage. And the agent says, "What do you do?" And the kid just took off and flew around the whole theater—[*laughter*]—made a couple of circles clear up at the ceiling, came back down, and landed on the stage in front of him. The agent says, "What else do you do besides bird imitations?" [*Laughter*]

Well, to tell you the truth, I don't think we've been doing any imitations since we've been here. I think we've cut the growth in Federal spending almost in half. We've reduced the size of the *Federal Register*. That's the thing, you know, that carries and lists all the regulations. Well, it's a third smaller than it used to be. Inflation has been down, running at 4½ percent now, or less, for the last 3 months. I hope we can keep it there or continue to reverse it. And savings are up since October 1st, when the first phase of the tax cut went into effect. It's the first time they've risen in a very long time. And we're really just getting the incentives of our program on line.

I'm getting kind of tired of those people that are saying, "Well, we've tried the program and it doesn't work." They were saying that before it started. And it really hasn't started yet, and it'll really, I think, begin to feel the first effects July, when the next tax cut, the 10 percent, goes into effect. The prime rate is—the interest is still too high. We all know that. But at least it's four points lower than it was when we took office. And yes, the deficit is of great concern to all of us here—larger than we had thought because of the recession that we're in. You know, one percentage point of additional unemployment increases the deficit by anywhere from $25 to $27 billion. And this is the great problem that we have to solve.

But there are different ideas about managing the budget. I met with some of our Senators just the other day up on the Hill, and we had a very good talk, because I'm ready to meet the Congress in a legitimate effort to have a program that will treat with our economic problems and not just have them go on padding the budget.

But some of those who are protesting about the deficit—an informal poll has been taken among some of the chairmen of the subcommittees in the House and some of the regular committee chairmen. And so far, between them, they're discussing and entertaining proposals to add $29 billion to the spending of the budget as we've sent it up. Our budget has been proposing quite a sizable additional cut in spending. I think they're the ones that are doing imitations, imitations of just what's been done for the past years that led us to this business-as-usual and politics-as-usual kind of a situation. They will, if allowed, bring higher inflation, higher taxes, and, yes, bigger deficits.

But I don't believe the American people want that. I don't think they want to go back to the excesses that caused the mess that we're in right now. We want and we need a bipartisan cooperation, a bringing down of the deficit and getting this country moving again and getting industry back at full steam again where it can provide the jobs that our people must have. And, as I say, I'm open to any comprehensive plan that they might be able to present that we can discuss, but I don't believe in just raising taxes and I don't believe in letting our country remain defenseless in the face of the great Soviet buildup of military power.

There's still room for more budget-cutting that will further reduce the rate of increase in government spending. And those who have no—or I have no shame, I should say, about taking advantage of you in this social gathering here—[*laughter*]—and suggesting that you're in just an excellent position to lend a hand in urging the Congress—[*laughter*]—not to fall back into those bad habits that——It's just a suggestion. [*Laughter*]

Right now, though, the power of America is tied down and restrained as Gulliver was by the Lilliputians. And this administration and this Congress, working together, I think can unleash that power and can end the things that are causing so much tragic sorrow among the people who are unemployed, and for small businesses that are struggling to stay alive, for the American farmers who are caught in a cost-price squeeze. And all we have to do is kind of forget politics for a little bit and get together on what the people need. And I think what the people need is less government spending and continue to have tax reductions for the people of this country so there's an incentive for people to work and earn.

And at the same time, I think we have to maintain the strength we need to not only keep the peace, but—my dream of one of the reasons why we're trying to redress our defensive structure is so we can sit down at a bargaining table with the Soviet Union for once in which they'll have a legitimate reason for wanting to engage in arms reduction along with us. So far we've had nothing to offer them. They are so far ahead. But if they find out that we mean it, then maybe we can reduce those threatening weapons, particularly those nuclear weapons that are aimed back and forth at each other. And that's my dream.

And now I'm going to quit talking and come down and say hello.

Note: The President spoke at 5:41 p.m. in the East Room at the White House.

Message on the Observance of St. Patrick's Day
March 12, 1982

Nancy and I are delighted to wish a warm and wonderful St. Patrick's Day to everyone.

Even today in the Irish countryside you can see the words "Gone to America" on old houses. The Emerald Isle has given much to the world, but she has blessed America abundantly with her most precious gift: her children. And like so many of the indomitable Irish, the Reagan family came to the United States seeking the liberty and bounty of this great land.

Every American gratefully acknowledges the many contributions of Irish Americans in every walk of life down through our nation's history. But, most of all, the sons and daughters of Erin upheld a fine old Irish tradition by making their mark in American letters and politics.

Just as St. Patrick lit the fire of faith in Ireland centuries ago, so, more recently, has the Statue of Liberty's torch of freedom ignited the spirit of liberty in his countrymen. This special link and appreciation have engendered the mutual affection between both lands for many years. On this St. Patrick's Day, let us fervently wish that America and Ireland will continue to be friends as long as the hills are green.

RONALD REAGAN

Remarks of President Reagan and President François Mitterrand of France Following Their Meetings
March 12, 1982

President Reagan. This has been a very unusual friend-to-friend meeting and one for which I'm very grateful. President Mitterrand and I have had a very productive day. In the Oval Office and during our working lunch, we covered a very broad range of subjects which naturally included our preparations for two major summit meetings in June.

President Mitterrand will host this year's economic summit in Versailles, and we are, along with the other participants, committed to a conference which will help the industrial democracies deal more effectively with today's economic challeges. With that in mind, I look forward with special pleasure to my visit to France, America's oldest ally.

We also touched on the Atlantic Alliance summit and the need to demonstrate allied unity and resolve in response to Soviet expansionist pressures. I will attend that summit in Bonn with the greatest of interest and commitment.

As I indicated a moment ago, our talks were comprehensive. Since President Mitterrand has just returned from Israel, I was particularly interested in his assessment of the peace process in the Middle East.

Regarding Central America, I believe that President Mitterrand now has a better understanding of United States policy objectives in that troubled region. Our discussion on this subject was particularly candid and thorough. President Mitterrand shares my concern that the failure to promote the evolution of democratic government in this region would have the most serious consequences. The principles and goals that we share suggest that we will be able to work together on this problem in the months ahead.

Our exchange of views on the economic

concerns of our two countries was equally frank and productive. President Mitterrand made a forceful and thorough presentation of his government's views on outstanding trade and financial issues. While it would be impossible to resolve our economic differences in one day, I think we've made tangible progress toward better communications on these important issues.

And now let me just repeat my personal thanks to President Mitterrand for coming to Washington.

Merci beaucoup.

President Mitterrand. Ladies and gentlemen, the first thing that I would like to say is to thank President Reagan for the welcome extended here in Washington to the President of the French Republic. The welcome extended to us was, as is in the very nature of things, of course, both friendly, open, and frank. We were able to talk about a number of problems. Some of them had been prepared, of course, by the continuous exchanges which exist among our ministers, our embassies, and representatives of all kinds.

But direct talks such as these, after I have recently had opportunities of meeting a number of European political leaders and following my recent visit to Israel and in the light of the events that take place each day in Europe, in Africa, in Latin America—well, because of all these reasons, it was natural that our talks today were brought to bear on a number of very topical problems, and indeed such talks are in themselves very fruitful. And indeed, this certainly fully justified making this trip.

Now, the prime reason for my visit to the United States was to prepare, in more specific terms, the so-called summit of the industrialized nations which will be meeting in Versailles, in France, at the beginning of June. And the conference will be an opportunity of considering the economic, monetary, and financial problems that our countries have to face, and the purpose, the exercise being that we should harmonize our goals so as to be able to lend each other mutual assistance and not hindrance. And it is clear that in that, we see very much eye-to-eye.

Then we talked of the other summit meeting that will take place a few days afterwards in Bonn, which will be the summit meeting of the Atlantic Alliance. And so, naturally, that led us to discuss East-West problems and, in particular, the relationship with the Soviet Union and the need to demonstrate our force so as to be able to further the possibility of negotiations; and so as to be able to work towards peace while asserting our rights and the rights of the peoples of the world and, in particular, of Europe.

And as President Reagan has just said, we also talked about Central America. And I repeated what I have often stated in France and in Europe, that our first duty is to fight against poverty and the exploitation of human beings and the domination on the part of bloody dictatorships. And as has just been said, we must work in order to find the way of furthering—and this is not always an easy path to discover—but the way of furthering the cause of democratic government. And there, there is something that we have in common and that leads to a meeting of the minds between us.

And I feel that we should do everything that can enable the democratic powers of the West to achieve a better understanding and to be able to give more assistance to the peoples that are rebeling against their fate and that can lead to peace, civilian peace, and more freedom, is a good thing. And, as I said when I was receiving Chancellor Schmidt, that I appreciated the economic proposals made in the context of the Caribbean plan which would also apply to Central America. It is clear that what is needed is more aid and consistent aid. And I think that what is being suggested is a step in the right direction. The path to be followed will clearly be a long one, but everything that is done that can show us where that path lies and can enlighten us in that respect can but be a good thing.

And as far as the Near East is concerned, I was in the area recently. And only last week, I indicated what my feelings were on the subject. And it was, therefore, only natural that, in talking with the President of the United States, that we should, in fact, also discuss those very serious questions. And we found that the assertion of the rights of Israel and the rights of all peoples of the region should make it possible to define, with patience and tenacity, the policies that will lead to peace. Now, our two countries are not the ones to pass judgment on such policies, but they are policies which should be of interest and concern to the countries directly involved in the area.

Now, lastly, on bilateral matters—well, there we were talking among friends. And there, of course, that is a long story that goes back many years. But we were able to discuss these matters frankly, as friends and allies, whose calling it should be in the world to express their views clearly, so as to be able to bring them closer together when they are not the same and in order to be able to assert them with greater force when one's positions do converge, so as to be able to give the right kind of orientation to the peoples of the world who are waiting with anxiety for the outcome.

Now, as to the hospitality that has been extended to me, I would like to say that it has given me, again, the opportunity of feeling the real depth of the ties between our two countries. And I certainly intend on the next occasion, which will be in my own country, to continue along the very same lines. In such talks, we have been able to discuss matters. And we must continue to do so, to talk about these issues with method, in order to be able to indicate clearly the areas on which we can move forward together and in order to be able to serve, to the best of our ability, the cause of world peace.

So, my last words will be to say thank you. And I turn, particularly, to the President of the United States, in order to extend to him, directly my heartfelt thanks.

Note: President Reagan spoke at 1:43 p.m. at the South Portico of the White House. President Mitterrand spoke in French, and his remarks were translated by an interpreter.

Earlier in the day, the two Presidents met in the Oval Office and then attended a working luncheon in the Blue Room.

Question-and-Answer Session With Reporters on Domestic and Foreign Policy Issues

March 12, 1982

Q. Mr. President, what did you tell President Mitterrand about El Salvador?

The President. What are you asking me?

Q. I said what did you tell President Mitterrand about El Salvador?

The President. What's your question?

Q. About the economy, are deficits delaying the recovery?

The President. About El Salvador, I just explained our position in the Caribbean plan in which he's very interested and seems to be very approving of—what it was that we were trying to accomplish and——

Q. Didn't you complain that they were selling arms?

The President. What?

Q. Didn't you complain that they were selling arms to the rebels?

The President. We discussed all facets of it, but it was a private conversation.

Q. Are deficits delaying the recovery as the businessmen told us they told you?

The President. What they were talking about is that the thought of those deficits hanging over us is what's keeping the money market—they're keeping the interest up because of their reluctance to lend money in fear of possible return to inflation. And incidentally, we received word this morning that the producer's cost index, for the first time in I don't know how many years, is not only down, it is negative. It's below an inflation rate. Prices are going down.

But the thing is, we recognize that, that that is a problem that has to be met, because it is the interest rates that I think are causing our recession, yes.

Q. Recovery will not be delayed by this fear?

The President. Well, I'm an optimist, and I happen to believe we're going to see some signs of improvement. But there's no question about the recession that we're in.

Q. When will the recovery be?

The President. I won't give you a specific date, but I think the fact that interest rates came down the other day a little bit is an encouraging sign. The fact that inflation seems to continue to be falling is also an encouraging sign.

But I'm not underestimating it. And, sorry to say, unemployment will, of course, be the last thing that recovers.

Q. Mr. President, what about their suggestions on taxes?

The President. I've got a plan in there, and I believe the fundamentals of our plan will bring about a recovery. I think it's the first time in all the eight recessions since World War II that there's been a plan in place. But I certainly am willing to hear any suggestions anyone can make that might be an improvement.

Q. Including taxes?

The President. No, I said I'm sticking with the fundamentals of our plan.

Q. Thank you, sir.

Note: The question-and-answer session began at 3:50 p.m. on the South Lawn as the President was departing the White House for a weekend stay at Camp David, Md.

Nomination of Gen. Richard H. Ellis To Have the Rank of Ambassador While Serving as United States Commissioner for the U.S.-U.S.S.R. Standing Consultative Commission

March 12, 1982

The President announced his intention to nominate Gen. Richard H. Ellis for the rank of Ambassador during the tenure of his service as United States Commissioner for the U.S.-U.S.S.R. Standing Consultative Commission, vice Robert W. Buchheim, resigned.

From 1950 until his retirement in August 1981, General Ellis served in a series of Air Force assignments, including executive to the Chief of Staff, U.S. Air Force, Command of the 9th Air Force, Commander Allied Air Forces, Southern Europe, Commander in Chief United States Air Forces in Europe, and culminating in Commander in Chief of the Strategic Air Command.

General Ellis entered active military duty in September 1941 as an aviation cadet at Maxwell Field, Ala., and received his commission and pilot wings at Turner Field, Ga., in April 1942. During World War II, then-Lieutenant Ellis served with the 3d Bombardment Group in Australia, New Guinea, and the Philippines, flying more than 200 combat missions, and rising to the rank of colonel and Deputy Chief of Staff, Far East Air Forces, by the end of the war.

After the war, General Ellis requested release from active duty, became a member of the Air Force Reserve, and entered Dickinson School of Law, where he was graduated in 1949. He was subsequently recalled to active duty in 1950, leaving behind his law practice in Wilmington, Del., to ultimately become Chief, Air Plans and Operations Section, Supreme Headquarters Allied Powers Europe.

General Ellis' decorations include the Distinguished Service Cross, Distinguished Service Medal, Silver Star, Legion of Merit, Distinguished Flying Cross, Air Medal, and the Purple Heart.

General Ellis graduated from Dickinson College (B.A., 1941) and from Dickinson School of Law (1949). He is married and has three children. He was born July 19, 1919.

Nomination of Tony Guglielmo To Be a Member of the Federal Council on the Aging

March 15, 1982

The President today announced his intention to nominate Tony Guglielmo to be a member of the Federal Council on the Aging for a term expiring June 5, 1983. He would succeed Wesley C. Uhlman.

Mr. Guglielmo is currently owner of the Penny-Hanley and Howley Co., an independent insurance agency in Stafford Springs, Conn. He was an instructor at the University of New Haven in 1970–1971 and at the University of Connecticut in 1965–1970. He was a sales representative at Bailey Agencies, Inc., in 1965–1968 and at Liberty Mutual Insurance Co. in 1963–1965.

Mr. Guglielmo graduated from the University of Connecticut (B.A., 1962). He is married, has three children, and resides in Stafford Springs, Conn. He was born October 13, 1940.

Nomination of Two Members of the Board of Directors of the National Institute of Building Sciences

March 15, 1982

The President today announced his intention to nominate the following individuals to be members of the Board of Directors of the National Institute of Building Sciences.

Charles A. Doolittle, Jr., is president, founder, and owner of Contract Surety Consultants, of Wichita, Kans., a position he has held since 1962. Since 1968 he has also been owner and president of OKANCO Petroleum, Inc., of Wichita, Kans. In addition, he is founder, owner, and president of Doolittle Construction, which was founded in 1946. He is married and resides in Wichita, Kans. He was born June 24, 1923.

Van Norden Logan is currently vice president and part-owner of Duffel Financial and Construction Co. in Lafayette, Calif. He was secretary-treasurer and part-owner of Land Investors Ranch in Larkspur, Calif., in 1967–1973. Prior to that, he was in the private practice of architecture. He graduated from Cornell University (Bachelor of Architecture, 1954). He has four children and resides in Moraga, Calif. He was born February 18, 1931.

Nomination of Three Members of the Board of Directors of the National Railroad Passenger Corporation

March 15, 1982

The President today announced his intention to nominate the following individuals to be members of the Board of Directors of the National Railroad Passenger Corporation (Amtrak) for a term of 4 years.

Charles Luna is retired. He was RAILPAX incorporator, chairman of the board, United Transportation Union Insurance Association. He became president of the United Transportation Union on January 1, 1969. In October 1969, he was elected vice president and a member of the executive council of the AFL–CIO. On January 1, 1970, he became chairman, Congress of Railway Unions. He is married, has two children, and resides in Dallas, Tex. He was born October 21, 1906.

Robert D. Orr is Governor of the State of Indiana. He was elected lieutenant governor of Indiana in 1972 and 1976. He served in the State senate in 1968–1972. He has been involved in Republican politics in Indiana for 30 years. He is a former officer and chairman of Indian Industries, Inc. He graduated from Yale University (B.S., 1940) and attended the Harvard Graduate School of Business. He is married, has three children, and resides in Evansville, Ind. He was born November 17, 1917.

Ross E. Rowland is founder, chairman, and chief executive officer of American Coal Enterprises, Inc. He is also a senior partner in the firm of Floor Brokers Associates in New York City. He founded and operated the High Iron Co. from 1966 through 1972. He formed the American Freedom Train Foundation, Inc., in 1971 and was chairman through 1976. In addition, he is founder, chairman, and chief executive officer of Steam Locomotive Corporation of America. Mr. Rowland is married, has three children, and resides in Bernardsville, N.J. He was born July 11, 1940.

Address Before a Joint Session of the Alabama State Legislature in Montgomery

March 15, 1982

Governor James, Lieutenant Governor McMillan, Speaker McCorquodale, distinguished members of the legislature, and honored guests:

Thank you very much for a most warm welcome. And if I may return the compliment, it sure feels good to be back in the Heart of Dixie.

A State that can produce giants like George Washington Carver, Helen Keller, Joe Louis, Bear Bryant, Jim Allen teaches us a valuable lesson. I have to interrupt here and say something about Bear Bryant and myself. I think I set something of a record with regard to Alabama football. A few years ago, I arrived here, had been invited to join him out on a practice session on the field. And yet, I was due—in black tie and tuxedo—to speak later. And the only way we could work it out was I had to go to football practice wearing a tuxedo. I don't think it had ever happened before. [*Laughter*] To make it worse, it was raining. [*Laughter*]

Well, the greatness of America and the solutions to her problems begin here with your people—not in Washington, D.C. You know, when you think of those ancestors who settled your State, they were willing to hitch up their wagons, venture across mountains, and sometimes bet the house, the farm, and all the family on the outcome. They didn't have much more than their hands, their heads, their hearts, and their friends. And they made it work without an area redevelopment plan, a subsidy from HUD, or even a go-ahead from OSHA. They did it the same way that Bear Bryant won more games than any college coach, the same way that Alabama set a record last year of attracting new industrial investment, the same way that Jeremiah Denton endured an eternity inside hell. They did it the old-fashioned way—they earned it. Dreams, drive, courage, refusing to quit made the difference then, and they make the difference now.

Alabama has a serious unemployment problem. But I'm sure you believe the future is yours to shape, not just endure. The growth plan you're now implementing will pay tremendous dividends in the months and years ahead.

Our administration can help and we pledge to be your partner. I have great respect for your Governor, Fob James, your mayors, your councilmen, your county commissioners, other local officials and courageous members of this legislature who stand willing and able to accept their rightful responsibilities. We'll work together and build for the future. Our commitment to strengthen our defenses, increase spending on NASA-related projects, complete the Tennessee-Tombigbee Waterway, and move ahead with enterprise zones will add to the jobs that you're creating.

And then, too, there's something else—those values and principles I spoke of that are so strong here. Faith in God, patriotism, freedom, the love of freedom, family, work, neighborhood—the heart and soul of America's past and the promise of her future. If we stand together and live up to these principles, we will not fail.

Not too long ago, Senator Kennedy paid a tribute to former Governor and Ambassador Averell Harriman, who was celebrating a birthday in his nineties, and Teddy Kennedy said that Ambassador Harriman's age was only half as old as Ronald Reagan's ideas. And you know, he's absolutely right. The United States Constitution is almost 200 years old, and that's where I'm proud to get my ideas.

Thomas Jefferson said, "I know no safe depository of the ultimate powers of the society but the people themselves. . . ." And that conviction is embodied in our 10th amendment—the Federal Government will do only those things called for in the Constitution, and all others shall remain with the States or the people.

Would you not agree that we have strayed much too far from that noble beginning and that the whole idea of our Revolution—personal freedom, equality of opportunity, and keeping government close to the people—is threatened by a Federal spending machine that takes too much money from the people, too much authority from the States, and yes, too much liberty with our Constitution?

According to polls, Americans—by more than 2 to 1—trust their State and local officials to administer programs more efficiently than the Federal Government. But those who have controlled our government for nearly three decades haven't listened. Prisoners of the past, they remain shackled to the myth that all wisdom, morality, and compassion begin at both ends of Pennsylvania Avenue.

A few weeks back, a leader of the liberal old guard said he would resist returning the responsibilities and resources that belong to you. He claimed to know of a dozen States that would shirk their responsibilities. Now, just which States did not measure up to his standards, he wouldn't say. But the meaning was clear: He and his colleagues don't believe in you or trust you.

But aren't they the same folks who gave us a trillion dollar debt, double-digit inflation, and the highest interest rates in more than a century? The big spenders would have been right at home with Oscar Wilde. He's the one that said he knew of only one way to get rid of temptation—yield to it. [*Laughter*] And that reminds me, you know, that someone once said that a woman flees from temptation; a man gets down on his knees and crawls away, hoping it will jump on his back. [*Laughter*]

But I'm honored to be the first United States President to stand before you in this distinguished chamber. If I may, I'd like to use this historic occasion to make a request of all those who lack faith in the American people: Come to Alabama!

Come to Alabama and learn how a Governor and State legislature took a Medicaid budget, $34 million in the red, and put it in the black while increasing services.

Come to Alabama and see how concern for education and commitment to equal opportunity, including a war on illiteracy, consumes almost two-thirds of State spending and ranks Alabama fifth in the Nation in spending on elementary and secondary education.

Come and see how Alabama will take the nearly $450 million it received from leasing public lands and invest it in a super trust fund for the future, and the principal will not be touched. Then a general obligation bond issue is forthcoming to build roads, bridges, schools, and prisons, eventually creating an estimated 100,000 jobs.

I think I understand now what Jeremiah Denton meant when he said, "Mr. President, Alabama is the best kept secret in the world." You're not frightened by the challenge of regaining control of your destiny. You're excited by it. You've come together to work together.

Only two blocks from where I stand, a courageous American named Martin Luther King organized a struggle for racial equality that led to historic changes in our society nationwide. The sacrifice that he made brings tears of sorrow, but the good that he did brings tears of salvation. And now today, what you are doing here will push Alabama into the forefront of leadership as America approaches the 21st century. So, I salute you.

You don't need convincing that the Federal Government has, at great cost, been attempting to perform tasks that are not its proper function. The only people still defending this indefensible system are special interest groups and their protectors.

The underlying purpose of our whole federalism initiative is to wrest control of government from the hands of special interests and return it to the American people it was always intended to represent and serve. I'm talking about average citizens here in Alabama and across the country—and nowadays they don't know who to blame when government services go wrong—citizens who no longer control even the services closest to them, such as schools, libraries, police and fire protection, and even pothole repair.

Think about it. In today's tangle of overlapping Federal agencies, departments, and regulations, who really is accountable? Who can people take their troubles to? And if you do find a sympathetic listener, will it really do any good? If you have a problem with, say, the quality of instruction in your son or daughter's grade school, who's to blame? The teacher? The principal? The city superintendent? The State superintendent? The Governor? The courts? The Federal bureaucracy? Or the President?

Well, the answer today is: everybody and nobody—and that's no way to run a government. We want to make government work again, to make it accountable to the people it serves. And the only way to do that is to return the appropriate resources and responsibilities to the people and their grassroots representatives. This means asking some basic questions about many areas in which the Federal Government, often with the best of intentions, has injected itself. The first question is, of course, should a particular function be the responsibility of government at all? Then, if it is, is it best handled at the State or local level?

The Federal Government should only do what the people cannot do for themselves or through their locally elected leaders. As one Governor put it recently, ". . . we can no longer afford—either fiscally or politically—to have every level of government involved in the delivery of the entire range of public services." To put it another way, the buck and the tax dollar should stop at the closest possible level of responsibility. It shouldn't be automatically kicked upstairs to Washington, because for every step up, the cost of overhead becomes greater.

I know that some have accused advocates of this new balance in government of wanting to turn back the clock to the bad old days. They claim that the injustices of other generations will recur if Washington's unelected regulators and bureaucrats lose their stranglehold on government. Well, that simply isn't true. Reapportionment and the Voting Rights Act have eradicated once and for all the most glaring inequities in State representation. In fact, today, black Americans are better represented in State and local governments than they are in the national Congress.

David Broder of the Washington Post has said, ". . . the contrast between the stumbling of the National Government and the improving performance of State and local government is a largely unreported story. Individual States have moved out ahead of the Federal Government, justifying again their claim to be 'laboratories of democracy.' "

Well, as you probably know, our plan to restore the proper State-Federal balance has two major components. Starting in fiscal 1984, the Federal Government will assume full responsibility for the cost of the rapidly growing Medicaid program, in exchange for the States picking up Aid to Families with Dependent Children and food stamps. Now, the other aspect of the plan is a turnback of responsibilities to the States for over 40 Federal programs in education, community development, transportation, and social services—along with the resources to pay for them. In 1984 the Federal Government will apply the full proceeds from certain excise taxes to a grassroots trust fund that will belong in fair shares to the States. By 1988 the States will be in full control of these grant programs.

Now, we're not wedded to every detail of this proposal. We want a dialog. And I've been very grateful to have Governor James' strong support. And you'll be pleased to know that when the other Governors met with me in Washington recently, they were in broad agreement with what we're trying to do.

One thing we're not trying to do is balance the Federal budget on the backs of the States. There will be no need for net tax increases on citizens at the local level. Also, our proposal will not cause needy Americans to migrate to States with high welfare benefits. People migrate for jobs, for a handup, not a handout. Low-income Americans want more opportunity; they need more opportunity. And if we work together, we'll make sure they get it.

We will return government to the governed, and we will not retreat from our program to give this economy back to the people who pay our bills and yearn to save for their future again.

Last year we put together a bipartisan coalition, and for the first time in half a century, we charted a new course for the country. We're coming out of a long night of government mismanagement and blunders which caused this recession. Those who are unemployed are living a tragedy, and I want nothing more than to see them working again. But I'm convinced the course we've embarked on offers the best hope, and I cannot accept the idea that a program which is just beginning, and which in fact began after the recession was already underway, is somehow responsible for that recession.

There will always be room for improvement in any budget or economic policy, but we must have a budget. Where further savings are to be found or a better way of meeting agreed-upon goals can be worked out, I pledge my full cooperation to the Members of Congress on both sides of the aisle, and I want to hear from them. But I have little time for parade-walkers who march out to denounce the projected deficit on television, and then slip back behind closed doors to bust the budget in their committees.

A propaganda campaign would have us believe that we have high deficits because Americans are not taxed enough. Well, taxes doubled between 1976 and 1981, and the deficits grew and grew. Then, after pressure from the Congress last year, the first part of the tax cut was delayed and reduced so much that taxes rose again. Now, this only aggravated the recession, causing more unemployment spending and a bigger deficit.

Now, let me explain. Our original plan called for a 10-percent reduction across the board in income taxes, retroactive to January 1st, 1981. Well, to get the program we had to compromise, reducing that first cut to only 5 percent, not effective until October 1st, 1981. Three months later, there was an automatic increase in the social security tax which almost nullified that 5-percent cut.

Americans today need strong backs and deep pockets to shoulder the highest tax burden in peacetime history. And yet some in Washington still want more. Now, we don't have deficits because our people live too well and are not taxed enough; we have big deficits because government lives too well and spends too much.

And those big tax increases I just mentioned never balanced the budget, because Federal spending tripled in the last decade alone. The more Congress taxed, the more it spent, and the more it went further and further into the red. In fact, government spending increased faster than the growth of our economy and even faster than the paychecks of the working people.

The solution is as obvious as it is urgent: Reduce government's share of the gross national product by slowing the growth of spending and help the economy grow by rewarding Americans who produce, save, and invest.

Now, I think that's what we've begun to do. We didn't really slash spending; we just cut, nearly in half, the inflationary *increase* in spending, which was climbing at the rate of 17 percent a year in 1980. We reduced the growth of new regulations by a third, and we enacted a strong program of tax incentives. Now critics charge that it's too large, but as I've explained, it barely offsets the built-in payroll tax increases that were adopted in 1977.

Our tax program is just beginning. Most of the benefits will go to average citizens in your hometowns. The 25-percent tax rate reduction, indexing of tax rates to prevent bracket creep, and strong new incentives for retirement savings will provide major tax savings. Accelerated depreciation schedules for business, both big and small, will encourage the investment we need to make our products and workers more competitive. Productivity growth—producing more and better for less—is the basis for all real gains in wages and living standards.

Most new jobs in America are created by small business, and most small businesses pay their taxes by the personal rates, not the corporate rates. So the personal tax cut will create jobs. Those who oppose it would only handcuff employers and further hurt the unemployed. We also address a special problem for farmers and family-owned businesses. It's not right that widows and children must lose, just to pay Uncle Sam what generations of love and toil have created. So the estate tax exemption will increase to $600,000 by 1987, and of even greater help, there will be no estate tax for a surviving spouse—the widower or widow.

Forgive me, but I'm not only proud of this tax program, I happen to believe it's the best darn thing that's been done for working and middle-income people in nearly 20 years.

Now, I'd like to say something here to "Main Street" America—to the millions who work so hard to support their families and keep our country together, but who sometimes feel like forgotten Americans. You know, we hear an awful lot about compassion—in the guise of who has it and who doesn't have it. Well, I believe that a safety net is essential for people who cannot help themselves. And I believe that most of us in this country have a real compassion for such people. We're the most generous people on Earth. But how about having a little compassion left over for those Americans who sit around the table at night after dinner, trying to figure out how to pay their own bills, keep the kids in school, and keep up with higher inflation and higher taxes year after year? I realize that our cure for the mess we inherited is not always easy or popular or painless. But I must say this: It is an honest cure, not a quick fix; it's the only way we'll produce a lasting economy, a lasting recovery, without a new burst of inflation.

We've brought inflation down dramatically. Last year's drop in inflation meant that a family of four, here in Alabama, if they were around the $20,000-level of earnings, had a $626 increase in purchasing power than they would have had if inflation had not come down. And this would vary with incomes, on down to the poverty-level incomes, and their purchasing power was increased. We must continue to reduce inflation until it is eliminated, and that means getting Federal spending control—permanently.

If I could interject here for just a moment and call something to your attention. I know we talk a lot, and we're very proud of the fact that we have brought inflation down to where for the last 5 months it's been averaging less than 5 percent. When we started, it was up around 13 percent. And yet, the people don't recognize it. All they know is when they go to the store, the prices are still up from what they were before. Now, they're not up as much as they would be if we hadn't lowered this, but our goal has to be to bring inflation to an end, so they start going in and finding that the dollar buys just as much as it bought last month or last year when they went in.

To the members of the business and financial community, let me say: I have a weapon of my own in this whole struggle, the Presidential veto, and I will not hesitate to use it.

Lower inflation has pushed interest rates down and will push them down more. But we must also replenish the savings pool by encouraging people to take full advantage of our tax incentives.

There is one other obligation that all of us as citizens must face up to if we are to preserve our freedom: We must restore the security of America. Without that security, survival itself is in doubt.

I want to thank the people of Alabama for the tremendous contributions you make to our volunteer forces. And I have to tell you the spirit and the morale and the patriotism among those forces is higher than has been seen in years. I got a letter from a kid in a submarine. He took the trouble to write to me and say, "Look, we may not be the biggest navy in the world anymore, but we're the best."

The bulk of our defense buildup is for manpower, maintenance, and readiness. I know that some would have us get at the deficit by reducing defense spending. I'm sure some savings can be made in any government program just by improved efficiency—and we have a plan to do that, beginning with the Defense Department—but not by eliminating weapons systems, the planes that we've ordered, the tanks that are on order, the missiles, et cetera. If we canceled outright all those weapons systems, canceled them all, we'd only reduce next year's budget by $6½ billion, and we would also send a very dangerous signal to the world that we were unilaterally disarming again.

It wasn't long ago that we had fighter planes that couldn't fly for lack of spare parts, fully half of them; navy ships that couldn't leave port; a rapid deployment force that was neither rapid nor deployable and not much of a force. For the sake of our children and their children, I consider it my duty as President, and all of our duties as citizens, to make sure that America is strong enough to remain free and at peace.

And I know here that you will agree with me that standing up for America also means standing up for the God, who has so blessed our land. I believe this country hungers for a spiritual revival. I believe it longs to see traditional values reflected in public policy again. To those who cite the first amendment as reason for excluding God from more and more of our institutions and everyday life, may I just say: The first amendment of the Constitution was not written to protect the people of this country from religious values; it was written to protect religious values from government tyranny.

Thank you for inviting me into your house today. You are the public servants who offer us the best hope for our future. America has given us so much, but now it is she who needs us. Will you answer her call? I believe in you, and I believe that together we can restore the faith of our people in their government and that we will rebuild this blessed land. And then, when our work is done, we can say that we've fought the good fight, we've finished the race, we have kept the faith. And to our children and our children's children, we can say we did all that could be done in this moment that was given us here on Earth.

Thank you, and God bless you.

Note: The President spoke at 11 a.m. in the House Chamber of the Capitol. His address was transmitted live via satellite to State legislatures in Georgia, Mississippi, and South Carolina and to a group in Washington, D.C. The Republican National Committee was responsible for the plans for the satellite broadcast and the cost of transmission.

Following his address, the President attended a fundraising reception for the Alabama Republican Party at the Montgomery Civic Center. He then traveled on Air Force One to Nashville, Tenn.

Address Before a Joint Session of the Tennessee State Legislature in Nashville

March 15, 1982

Governor Alexander, [Lieutenant] Governor Wilder, Speaker McWherter, honorable members of the Court, distinguished members of the General Assembly, and honored guests:

I'm delighted to be here in Tennessee. Your motto is, "America At Its Best," which is why all Americans will be proud when Tennessee plays host to the world this summer at the Knoxville World's Fair. I have my button already.

And I am particularly glad to be here in Nashville, the world's center for bluegrass and country music, where Minnie Pearl and Roy Acuff live and where the Oak Ridge Boys have made their fortune. You know, if the Oak Ridge Boys win any more gold, they'll have more in their records than we have in Fort Knox. [*Laughter*]

The only thing unsettling about being here is that every time I hear someone talk about fiddling, I think another congressional committee is tampering with the budget. [*Laughter*]

It's an honor to come to the home State of my good friend Howard Baker, who has led the U.S. Senate so ably and whose leadership is key to the bipartisan solution or coalition that we must have to bring progress to our nation. Together with the rest of your fine congressional delegation and your innovative State leadership, we have the chance to make government work again, to finally get it off our backs and out of our pockets. And let me add a special "thank you" to Representative John Bragg for his help in working on our Federal initiative.

You know, flying in here this afternoon, looking out over your beautiful countryside bordered by the blue Smokies on one side and Old Man River on the other, I was reminded of how many great leaders this State has shaped and how much our country has relied on them. Some of our nation's greatest heroes—Davy Crockett, John Sevier, Sam Houston, Andrew Jackson—all were Tennessee volunteers. It's a history to be proud of.

All were known for their bravery and resourcefulness, but chief among them was the man whose birthday we celebrate today. The first United States President to be born in a log cabin, Jackson spoke for the average citizen and fought the vested interests. And just a short time ago, before coming here, I was proud to lay a wreath on his grave.

It was Jackson who reminded us that "One man with courage makes a majority." Throughout his stormy life he lived by that motto, defending his honor, our Union, and the inalienable rights of every American citizen, regardless of station.

"The eyes of all nations are fixed on our Republic. . . . Great is the stake placed in our hands; great is the responsibility which must rest upon the people of the United States." Those are Andrew Jackson's words, but they still ring true. You and I have come to office in a time of crisis for our country, but we're working our way out of an inherited economic mess that is the worst this country has seen in the last 40 years.

Our Federal Government has become so bloated and fat that Jackson wouldn't recognize it. Lines of responsibility between the levels of government have blurred beyond distinction. The tax and spend policies of the past have dragged this economy into a painful recession, throwing millions of Americans out of work and sending interest rates soaring. I have just come, today, from addressing the legislature in Alabama, where the unemployment rate is 14.3. I know while it's not quite that bad, it's very severe here in your State.

We've strayed far from the path that was blazed for us by this frontier President who believed so much in the freedom and dignity of the common man. We got in this predicament precisely because our leaders forgot what you know so well in Tennessee: that we built this nation on individual genius, courage, and effort. Our greatness comes from the kind of character found in the people who made their homes in the hills and fields of Tennessee, not far from the handiwork of professional spenders dispensing the Federal dole in Washington, D.C.

We've gone astray from our first principles. The Federal Government has, at great cost, been attempting to perform tasks that are not its proper function. Oh, those who led us down that path had good intentions; they just didn't see how far they were taking us from the Constitution. So, today we seek to restore the 10th amendment, which says the Federal Government will do only those things called for in the Constitution and all other powers shall remain with the States or with the people.

Government's first duty is to protect the people, not run their lives. While the Federal Government has been assuming an even larger role in our daily lives, it has devoted a smaller and smaller portion of its resources to the one area for which it is clearly, solely responsible—our national defense.

Nothing tells the story half so well as our changing budget priorities. In 1962 defense spending took 46 percent of all Federal spending, while social programs accounted for 29 percent. Today those numbers have been reversed. Today 29 percent of the budget is for defense, while more than 50 percent is spent on the social programs that mushroomed during the Great Society.

In the last 10 years, Federal spending has increased more than 300 percent. That means it's tripled. Medicaid and Medicare have gone up by more than 500 percent. Food stamps, in 15 years, have increased by 16,000 percent. And while this was going on, our soldiers were cannabalizing equipment for spare parts, and the readiness of our Armed Forces began to decline.

I grew up in the Depression. I watched one Christmas Eve as my father opened what he thought was a greeting from his employer, only to find out it was a pink slip and that he no longer had a job. I know the humiliation that every family feels when the head of the household can't find work, and I know there are times when only government can help.

But let us not confuse the ideals that launched the last 40 years of uncontrolled government growth with the mismanagement and waste that has resulted. We must recognize the good we have done, but also the damage that is mounting so fast we soon may be unable to undo it.

These are not easy times for any of us—whether we're elected officials trying to do our best for the people we serve, or average, working Americans trying to make ends meet and build a better future. But that's exactly why this is such an important time for us and our country. It has fallen to our generation, in our day, to make basic choices and right basic wrongs that will affect not only our futures but the futures of so many American generations to come.

To the young couple who wants to buy their own home but can't afford today's interest rates, I have a simple message: Our whole program for economic recovery is geared to a healthier economy that will have lower interest rates and make the dream of your own home come true.

To the laborer looking for work in a tight job market: It isn't easy today, because we're suffering from generations of government over-taxing and over-spending. Our whole program is geared to generating new jobs and new opportunity for you and for all the working people of this nation.

To the pensioners and senior citizens who are pinched by inflation: We've finally begun to break the back of inflation. I promise you, we're going to hold the line on government spending and taxing so that inflation will never again become a nightmare for the working and retired people of America.

To the young and the disadvantaged of our country who may fear that government is "turning its back" on them: We are not. We're doing everything we can to create an economy and a society in which there are work and opportunity for all who are willing to try, compassion for those who cannot, upward mobility for all who still dream the American dream.

Ours is not a negative administration trying to turn back the clock. That's what some of our opponents would like to do—to go back to the bankrupt policies of the past. Our goal is to undo the damage of the big-taxing, big-spending policies that have put average Americans of every race and creed, from every part of the country, into the financial bind they feel today.

We are determined to change things for the better, to make America work again. But we can't do that through more spending and more taxing; that's how we got into this mess to begin with. We've got to return to the people more of the resources that have been gobbled up by big government.

Now, our policy isn't a narrow party position for some vague theory; it's common sense, and it's humanitarian. It is designed to help people, not special interests, in or out of government.

The budget monster has been raging out of control. We've proposed a plan to rein it in, to cut back the growth of spending. We welcome any proposal to cut even more, as long as it doesn't jeopardize our security. We can no longer choose between national security and national welfare—the two have become one and the same.

We must strive to balance the budget, of course, but not at the cost of our freedom. America's survival requires that we go forward with our defense spending program. The most sobering experience I've had in this job is learning of the growing danger that we face. Even with the defense budget that we've proposed, we will not begin to close the gap with the Soviet Union until the middle of this decade—or later.

We in America seek to live in peace. War is repugnant, and we're rightly awed by forces of nuclear destruction in the world today. When I accepted my party's nomination for this office, I said we must not be naive or foolish. Four times in my lifetime America has gone to war, sending its young men to die on foreign soil, and never once did we go to war because we were too strong. Our challenge today is to ensure that foreign aggressors are not tempted again by a false perception of American weakness.

We've made clear our commitment to peace and stability in the world and our willingness to negotiate mutual arms reduction with potential adversaries. But no American President must ever sit across the negotiating table from someone dedicated to the destruction of our way of life unless our military strength is such that those on the other side of the table have a darn good reason to legitimately negotiate a reduction of weapons for their own feeling of security.

It is being argued that we should cut defense spending to reduce the deficit. Well, if we eliminated all of the major weapons programs that are scheduled in this budget, we would reduce next year's giant deficit by only $6½ billion in our $3 trillion economy. Most of the money in our defense budget is not for newfangled equipment or the latest in weaponry; most of it will go for essential manpower, maintenance, and readiness. The American people expect their planes to fly, their ships to sail, and their helicopters to stay aloft. There will be no retreat in the commitment of this administration to make sure that they do.

Let me depart from my text for a moment to address a subject of profound importance to all of us—the control of nuclear arms. There's been a considerable amount of comment on this subject recently, and just last week a well-meaning proposal was put forth by several Senators and Members of the Congress. It called for a freeze at current levels of nuclear arms on both sides. Well, let me be very clear on where I stand. A freeze simply isn't good enough, because it doesn't go far enough. We must get beyond a freeze to insist on real reductions in nuclear arms.

You'll recall that last November 18th, I called for the Soviet Union to dismantle their missiles aimed at Western Europe. In return, we would forego any deployment of corresponding systems that we were planning. The United States stands firmly behind that proposal today, and our negotiators recently put it on the table in Geneva.

Well, let us also be clear about something else. A nuclear freeze at this time would legitimize a position of great advantage for the Soviets. They would have no incentive to make actual reductions. In Europe, for example, their forces are greater than ours by a factor of at least 3 to 1, and some estimate it to be at least 6 to 1. A freeze would leave us and our allies on very thin ice, and as President, I will never permit that.

We must not delude ourselves about the Soviets. It's especially striking to me that on November 18th, when I called for an elimination of intermediate-range missiles in Europe, the Soviets had 250 SS–20 missiles deployed with 750 warheads—all aimed at the cities and the population centers of Europe. Today, less than 4 months later, and while we're negotiating, the Soviets have 300 SS–20 missiles deployed with 900 warheads. That's the nature of the threat we face.

So I say, yes, let us as a people take the lead in preserving peace and a safer world for mankind. But let us do so not just with a good heart, but with a clear head. The United States will continue negotiating for significant, *verifiable* reductions in nuclear armaments, in Geneva and beyond.

I can assure you that as we develop our position on strategic arms reductions, our objective will be to achieve real reductions, and I would welcome your support as we pursue the course of peace.

Now, there are others who say that the only way to balance the budget is to raise your taxes. Our taxes went up by more than 200 percent in the last 10 years, and during those 10 years we ran up the biggest string of budget deficits in our history. Now, can they believe it would be any different at this time?

Oppressive taxation is like a ball and chain on our economy, weighing it down by discouraging initiative, by punishing hard work, by making investment no longer worth the risk. When President Johnson asked for increased taxes to balance the budget, he had a surplus that first year. But within 2 years, the deficits were back, big as ever. Quick fixes are not the answer to what ails our economy.

We think we have replaced patchwork policy with a long-term program for economic recovery that will work, if we can find the courage and patience to let it work.

Last year, an overwhelming majority of the Congress joined in a bipartisan effort to cut taxes, cut the budget, cut regulations, and begin the process of returning power and resources to the States. Today, an informal poll reveals that some who didn't support that effort are not only opposed to the further cuts that we believe must be made, they're talking of adding almost $30 billion to the budget that we have sent up to the Congress. They would raise taxes to reduce the deficit.

Well, the American people are already taxed up to their eyeballs. Our budget deficit didn't come about because we're not taxing enough; we've got a deficit because we spend too much.

I haven't given up on a balanced budget. I still believe, as I have since we started spending more than we took in, that deficits have been a plague on our economy. But the cure lies in reducing the size of government, in controlling programs that heretofore have been labeled "uncontrollable." Now, Lord knows I want to erase the red ink from the bottom line of the budget, but not by taking more money from the working people in order to do it. We must not raise taxes on men and women who are already taking pay cuts just to keep their jobs.

Now, many of the same people who want to raise your taxes, who don't believe that you should be able to keep a little more of your own money, also don't trust you to run your own affairs. These same people, who over the decades have pushed this country to the point of economic collapse, don't trust you to show compassion to your needy or justice to your disadvantaged. They consider statehouses, such as this one, to be the backwater of American politics.

Well, I've got news for them. Here in Tennessee you've always had a balanced budget. You tell me who is the better manager. [*Applause*] Thank you.

For too long, too many of our leaders have been afraid to trust the people who sent them to office. As they hoarded power in Washington, our economy came unglued, our productivity sank, and unemployment hit the roof. Currents of dissatisfaction are running deep in this land. Those who ignore them do so at their peril. The naysayers, those who are resisting our drive to return our government and our economy to the people, are defending the status quo, and as we all know, that is a Latin phrase—status quo—for "the mess we're in." [*Laughter*]

A citizen with a problem should be able to take a bus to city hall for an answer; he shouldn't have to take a jet to Washington. Removing the possibility of solving problems where they occur, forcing Americans to accept the dictates of a faraway bureaucracy has to be one of the more serious mistakes of this century.

We've proposed the broad outlines of a plan to restore accountability to government. It includes the transfer to our States of more than 40 Federal programs in the areas of education, transportation, community development, and social services. And we want to send back to you the tax sources to pay for them as well. The centerpiece of the proposal is the almost dollar-for-dollar swap of two of the largest areas of welfare. The Federal Government would take over Medicaid in exchange for State assumption of Aid to Families with Dependent Children and food stamps.

Now, this proposal is still in the planning stage. I'm looking forward to working with you in the weeks and months ahead as we develop the details and discuss the alternatives that will make it work. But there is one aspect on which all should be clear: We will not turn our backs on people, communities, or States in need of help. We will not create winners and losers, turning States and regions against each other. Our goal has been and will remain to bring prosperity to all Americans in every part of our country. We will hold fast to the guarantees of equal justice and opportunity for all Americans. We will protect those precious civil rights that define what it is to be an American.

Fifteen years ago, a young Senator from Tennessee rose to take the floor of the United States Senate. He said, "I believe . . . the most urgent . . . problem confronting this Republic today is the threat to the traditional system of federalism." Such a system, he said, has produced the most good for the most people in the history of this nation. The future of our country depends on our ability to preserve this idea of partnership.

The Senator was Howard Baker, and his right-hand man—[*applause*]—and his right-hand helper at that time was an up-and-coming congressional aide by the name of Lamar Alexander.

Well, nearly 140 years before Howard made his plea in the Senate, another Tennessean rose in Washington to speak on the same subject—Andrew Jackson. Nowhere was the forthrightness for which he was famous more evident than at that Jefferson Day banquet in the spring of 1830. Rumors of secession swept the city. In the crowded banquet room of the Indian Queen Hotel, 24 men rose to toast the dissolution of the Union. And then the President rose to his ramrod-straight six-feet-one, and beneath his thick brush of iron-grey hair, his eyes fixed as bright and fierce as an eagle's on John C. Calhoun. He said, "Our Federal Union: it must be preserved." They were only seven words, but they were among the most important any American has ever spoken.

As history passes, we find our system of government pulled and twisted, first in this direction and then in that. Jackson's contemporaries sought to destroy it by tipping the balance too far toward the States. In our time, it is threatened by those who would place all the weight in a centralized National Government.

Like Jackson, we must cleave to that well-charted course first laid out for us by our Founding Fathers. Like Jackson, we must govern through coalition, trusting in the people who sent us to office.

In this time when we and our people are so severely tested, it will help to remember the courage that President Jackson could summon from the convictions in his heart. Let us draw on the same strength as we face the hard decisions ahead, as we withstand the swirling tides of changing political trends. Like Jackson, let us simply do what is right to preserve our Federal Union, which is in fact a federation of sovereign States. This is the last, best hope of man on Earth.

God bless you, and thank you very much.

Note: The President spoke at 3:02 p.m. in the Capitol Building.

Upon arrival in Tennessee earlier in the afternoon, the President visited The Hermitage, the 625-acre estate of President Andrew Jackson. Located approximately 12 miles east of Nashville, the mansion and farm are preserved today much as they were in President Jackson's time. President Reagan participated in a wreath-laying ceremony, commemorating the birthday anniversary of President Jackson, at the tomb of the former President, which is located in a garden near the mansion.

Following his address to the State legislature, the President attended a fundraising reception for the Tennessee Republican Party at the Radisson Plaza Hotel in Nashville. He then traveled on Air Force One to Oklahoma City, Okla., where he attended a fundraising reception for the Oklahoma Republican Party at the Skirvin Plaza Hotel. He remained overnight at the hotel.

Address Before a Joint Session of the Oklahoma State Legislature in Oklahoma City

March 16, 1982

I thank you for that genuine Oklahoma welcome. Governor Nigh, [Lieutenant] Governor Bernard, Speaker Draper, President York, the minority leaders, the distinguished members of the legislature, and honored guests:

Before I begin my planned remarks this morning, I would like to speak again to the question of controlling nuclear arms, a subject of deep concern to all Americans, to our allies, and to the people of the world. The hope of all men everywhere is peace—peace not only for this generation but for generations to come. To preserve peace, to ensure it for the future, we must not just freeze the production of nuclear arms, we must reduce the exorbitant level that already exists.

Those who are serious about peace, those who truly abhor the potential for nuclear destruction must begin an undertaking for real arms reduction. President Brezhnev has proposed a unilateral moratorium on further deployment of SS–20 missiles in Western Europe. Well, I say today, as I said yesterday, and as I made clear on November 18th, a freeze simply isn't good enough, because it doesn't go far enough. We must go beyond a freeze.

Let's consider some facts about the military balance in Europe. The Soviet Union now has 300 brand new SS–20 missiles with 900 warheads deployed. All can hit targets anywhere in Western Europe. NATO has zero land-based missiles which can hit the U.S.S.R.

When President Brezhnev offers to stop deployments in Western Europe, he fails to mention that these are mobile missiles. It doesn't matter where you put them, since you can move them anywhere you want, including back to Western Europe. And even if east of the Urals, they could still target most of Western Europe.

Our proposal, now on the table in Geneva, is that we not deploy any of the intermediate missiles in Europe, in exchange for Soviet agreement to dismantle what they now have there. And that's fair. That is zero on both sides. And if President Brezhnev is serious about real arms control—and I hope he is—he will join in real arms reduction.

Now, I come to you today as an American who shares many of the values for which Oklahomans are known. No other State better exemplifies the American experience than does Oklahoma. People from all over the world came here to claim a bit of land—their part of America—and to make a new life. These people confronted the most undeveloped country known to man with optimism, self-pride, and rugged independence.

Edna Ferber's epic "Cimarron" captured this spirit when her hero proclaimed, "Here everything's fresh. It's all to do, and we can do it. There's never been a chance like it in the world. We can make an . . . empire out of this Oklahoma country. . . ." Well, this is the vitality that captured the imagination of the world; it's the fabric of which Oklahoma and America are made.

The people who settled here not only endured, they triumphed. Some who've never lived in this State often wonder why, with a population of only 3 million, you can produce such great football teams. [*Laughter*] Well, after overcoming tornadoes, floods, drought, and Oklahoma winters, totin' a ball down a field a hundred yards just isn't such a hard job, even if there are 11 guys in front of you trying to stop you. [*Laughter*]

Standing here today, it's easy to forget the pessimism—so uncharacteristic of America—that swept this country only a short while ago. Two decades of economic folly had brought our people to the edge of despair.

In the closing months of 1980, our once-proud economy was gasping for breath. Inflation had been running at double-digit levels for 2 consecutive years, with no relief in sight. At the same time, unemployment was near 8 million. The savings rate had plummeted to the lowest of any industrial country, and interest rates were the highest that they'd been since the War Between the States—21½ percent.

The very character traits that built our country were under attack as never before. Instead of job-creating investment, people put their money into nonproductive inflation hedges. And who could blame them? High taxes and inflation, meanwhile, undermined the incentive to work or save. Quick deals became safer than long-term, economy-building projects.

Oklahoma's State motto, "Labor Conquers All Things," is right on target. Yet, in the last two decades, the last thing our system encouraged was labor progress. And progress ground to a halt.

We couldn't have stayed on the path we were on. You know it, and I know it. With some fine bipartisan cooperation in the Congress, including most of Oklahoma's congressional delegation, we've charted a course that will lead to a better life for all Americans. We've come a long way already.

Federal growth is being brought under control. And with the backing of Republicans and concerned Democrats from Oklahoma, we have cut the rate of annual growth in spending nearly in half.

Ever increasing taxation was bleeding the economy dry. But we've set in place a 3-year tax reduction program that will, if we've got the courage to stick with it, give new life to the economy.

Vice President Bush is directing an energetic attack on excessive Federal regulation that strangles progress at every turn. Already, the number of new pages in the *Federal Register*, the book which lists new regulations, has been cut by a third. Two hundred million hours of filling out Federal forms and records by individuals, businesses, local officials, and State employees will be eliminated this year. That's the equivalent to 95,000 people working on redtape 40 hours a week for the entire year.

May I pause just a second to interject a little experience of my own that I knew about before I got there—I got to do something if it still is going on. But just to show you how ridiculous things can be, there was a fellow there whose job was sitting in a particular department, and all the papers came to his desk. And he looked at them and then initialed them and routed them on to the particular area that they should go to. And one day a classified paper arrived there, but it came to his desk so he looked at it, figured out where it should go, put on his initials, and sent it on its way. Two days later it arrived back at his desk. The note with it said, "You were not supposed to see this. Erase your initials and initial the erasure." [*Laughter*]

But we think the fundamental problems have been addressed, and the gloom and doomers notwithstanding, our country is ready to move into high gear. Two years ago the American people seemed resigned to high levels of inflation, even during economic downturns. It was called stagflation. Last year we were able to bring the inflation rate down to an annual rate of 8.9 percent and an average of 4.8 percent for the last 3 months. And last month, it was only 3½ percent. Now that drop in inflation meant that an average family of four in Oklahoma with an income of $22,600 was better off by $701 in purchasing power. Now this year, even more purchasing power will be saved. In short, we're well on our way to licking inflation, and that's the first big step toward getting the economy back on its feet.

Furthermore, the savings picture is looking better and our main incentives are just coming on line. The interest rates are, of course, significant. Some would have you believe that high interest rates are a policy of this administration. Well, let's set the record straight on that. We inherited those interest rates, rates which were, as I said, running over 21 percent. We've decreased them by more than one-fifth, and that downward trend should continue. We're getting interest rates down, but what we will not do is resort to a quick fix that might unleash runaway inflation again.

Clearly, unemployment remains far too high in too much of the country. Not here. Returning America to steady economic growth is the answer, not quick fixes. And that's what our program is all about, and it will work if we give it time to take hold.

I know how frustrating these times are for so many who are living right on the ragged edge. I grew up in a family in the Great Depression that felt the pain of economic downturns. I saw what unemployment at that time did to my own father. Today, all of us must remain conscious of the suffering behind the statistics. This realization should give us the resolve to get to the heart of our economic ills.

One area of justifiable concern is the deficit. And believe me, we take it as seriously as any problem facing us. But let's recognize why such a huge deficit is projected. It is not, as some would have you believe, a product of our tax cuts. Our program went into effect October 1st, but the American people have yet to experience any real cut in their taxes. So far, we've simply decreased the size of the already scheduled tax increases that were passed in 1977.

During the last 20 years, just about any interest group with a high-sounding purpose and enough funds to hire a lobbyist was able to wangle a commitment of some kind from the Federal Government. Many on Capitol Hill were like that gal in the musical "Oklahoma" who just couldn't say no. [*Laughter*] The big spenders of the last two decades got us in a terrible fix by committing us to finance too many things we just can't afford. They always started easy, like a dollar down and pay later, and pay we did. And that's where this deficit came from.

The answer, of course, is reducing government spending. And to that end, I'll talk to anyone with constructive suggestions. I hope to cooperate with the Congress to achieve this. But my first and foremost responsibility is to the American people who are still suffering from the failed policies of the past.

However, let me say this. Bringing down the Federal deficit cannot take priority over the security of the United States. The top priority of the Federal Government is the safety of this country. If the choice must be made between balancing the budget—and I want to do that—or national security, I must come down on the side of national security.

Now, I know there are some who disagree with that and what we're doing. But they don't have the information that goes with having this job. I would be irresponsible if I did not present a budget that would restore our ability to defend ourselves.

Another controversial decision was the decontrol of oil. One Senator—and not from Oklahoma—predicted that gasoline prices would top out at $2 a gallon because of that action. Other shrill voices crying doom were heard. Some of the media gleefully reported charges that we were contributing to inflation. But as Mark Twain once said of his reported death, it was greatly exaggerated. As you know, none of the catastrophic predictions came true.

Decontrol set off a stampede of exploration. Right here in Oklahoma, you've set a record for the number of rigs—881—drilling for new oil and gas last year. Maybe that's why unemployment is lower here than just about anywhere in the country. For the first time in a decade, the oil production of the lower 48 States did not significantly decline last year, and there are signs that production is increasing thanks to our reliance on the "magic of the market."

The last administration's moral equivalent of war, which depended on government planning, bureaucracy, and regulation, gave us higher prices and shortages. Decontrol unleashed the competitive powers of the marketplace and gave us more supply, more conservation, and lower prices. We've reduced our imports by nearly half.

Those who credit the world oil glut for stable energy prices miss the point. Unleashing our domestic oil industry and continued conservation by the American people have helped create this favorable world energy situation.

Oil control—or decontrol, was just a first step; other energy issues remain. The phase-in of complete decontrol of natural gas is one. I believe that, ultimately, decontrol would be good for the American people. In the meantime, we plan to move forward with the elimination of energy and the Energy Department and to further reduce the regulatory burden on energy producers.

One issue which required compromise, perhaps more than I'd have liked, was the windfall profits tax. Political reality prevented its elimination, but let me point out that our tax reform package, with the strong support of Senator Don Nickels and others in your delegation, did eliminate this tax for a great many royalty owners and independent producers. And there are 200,000 royalty owners and 5,000 independent producers running 66,000 stripper wells in the State of Oklahoma alone.

While we're talking about taxes, I'd like to mention a tax that I've always considered especially repugnant. It severely threatens survival of the family farm and the family-owned business. We didn't get the inheritance tax totally abolished, but I am proud to say that our tax bill did eliminate the inheritance tax for surviving spouses and raised the exemption on farms from $175,000 to $600,000 by 1987.

Now, few if any have been harder hit by the cost-price squeeze than American farmers. I am happy that we have helped stabilize their energy costs, and we're doing our best to open new markets for their products. The last thing they need is a tax that prevents them from passing on their farms to their family. I applaud your efforts to rid your State of this onerous tax on widows and farming families.

Washington has been on a several-decade taxing spree, usurping tax sources that might better be left to local and State governments. In the last 5 years, between 1976 and 1981, Federal taxes doubled, and Federal deficits increased to almost record levels.

One of your native sons, Will Rogers, had a lot to say about taxes. If he were alive today, one wonders what he would think, considering that he said that taxes were too high back in the 1930's. He said, "Lord, the money we do spend on government." And Will said, "It's not one bit better than the government we got for one-third the money 20 years ago." [*Laughter*] Well, this is once we can really say, "You can say that again."

The tax increase of these last 20 years, however, is a symptom of a far greater problem than Will Rogers knew. During the last two decades, we witnessed a centralization of power and authority totally alien to the American way. It has undermined the system of checks and balances and the division of powers that have long protected the freedom of our people.

Today, our citizens are far removed from those who make decisions that dramatically affect their lives. Often individuals are confronted with edicts issued thousands of miles away by people for whom no one has ever voted. This isn't freedom. It is not democracy. And it does not work.

The time is long overdue for honest men and women at all levels of government to begin a dialog about reversing this power flow. We must bring government back to the people.

Now, this is not a partisan issue, although some would use that tactic in order to distract us from our task. I believe that those who try to undercut or ignore this issue do so at their own peril. The people are justifiably frustrated and angry. A few years ago, they felt the same way about taxes. When the politicians didn't act, grassroots activity—like Proposition 13 in California and Proposition 2½ in Massachusetts—swept across America.

Undoubtedly, there are those who honestly believe that it's better to centralize power in Washington. They theorize that central planning is more efficient. With all due respect to that opinion, after nearly half a century of big government waste and blundering, it's kind of hard to take their argument seriously.

Others who oppose a transfer of authority back to the States claim the States are unable or unwilling to handle the responsibility. But isn't this just a nice way of saying that State governments are filled with heartless incompetence?

During my years as Governor of California, I found State and local government to be in the hands of conscientious people who are certainly more in tune with the desires and needs of local citizens than the Federal Government, 3,000 miles away, could possibly be, no matter how compassionate and well-intentioned it might be.

The argument, of course, is also made that it's easier to affect the Congress than a State legislature, that Congress is more responsive, or so they say. Well, that seems rather odd. It suggests that influencing 535 elected officials in Washington—men and women who must be concerned about the entire country—is easier than getting the attention of 149 legislators in Oklahoma City.

Well, after listening to that, one gets the impression that someone isn't being candid. Perhaps some oppose federalism not because the States are incompetent, but because they're too efficient; not because they're unresponsive, but because they're too responsible.

The truth may be that special interest groups enjoy dealing with unelected officials with the power to hand out tax money—officials far removed from localities, and all collected in one place, not in 50. It's the lack of responsiveness to the people paying the bill that makes this relationship with the Federal bureaucracy so attractive.

I believe that given the resources and flexibility, the State and local governments can more efficiently handle programs that have rightfully belonged under their authority all along.

Working out details for such a change of direction is never easy. Perhaps a starting point for the dialog can be the broad proposal that I outlined during my State of the Union message. Briefly, it suggests the transfer of 45 categorical programs to the States, along with the funding sources and authority to manage them. The list includes everything from education to community development, from transportation to social services.

What I've described as the centerpiece of the federalism initiative is the almost dollar-for-dollar swap of the two largest areas of welfare. The Federal Government would take on the cost of Medicaid and, in exchange, the States would assume the responsibility and authority for Aid to Families with Dependent Children and food stamps.

Now, this suggestion seems more than fair, considering that Medicaid's expected high growth is so great that AFDC and food stamps, on the other hand, which will not increase so quickly, will allow more of your tax resources to be devoted to that as time goes on. Now, we don't claim this proposal is perfect. Two centuries ago, Samuel Johnson, one of the wisest English philosophers of his day, observed that "Nothing will ever be attempted if all possible objections must first be overcome."

Our federalism plan is not airtight or infallible; it is designed to serve as a basis for discussion. We can certainly work out the details and meet the concerns that you may have here in Oklahoma. Already, I've met with a host of State and local officials, and much to the pundits' surprise, our meetings have been frank and productive. Mayor Jim Inhofe of Tulsa has been especially supportive. I look forward to working with Jim and with other Oklahomans during this sorting-out process, so that what is finally submitted is not my plan but is, instead, our plan.

Those who sincerely doubt that States have the capability to reassume their rightful role often point to incidents of mistakes or corruption uncovered at the State level. Well, I suggest that such disclosures and subsequent corrections are evidence that the system is working. When all you're hearing is good news, that's the time you should start to worry and wonder.

Certainly, taking government further away from the people is no solution. Instead, we must tap the innovation and creativity of our people that is just waiting to be brought into play. I can think of few better States that demonstrate America's potential than Oklahoma.

Recently, when Federal funds were cut for a glass-enclosed botanical garden in Oklahoma City, private business rushed forward with more than $5 million to complete the project. One of your Congressmen, Mickey Edwards, has told me about the Opportunities Industrialization Center, a former CETA program now generating private support in order to provide training for those who lack marketable skills.

That Oklahomans are willing to shoulder the cost of worthwhile programs is no surprise. Helping one another is instinctive in a frontier State. Your programs relating to the elderly, like the Foster Grandparents and the RSVP programs, are especially praiseworthy in this regard.

My friend from California, Bill Banowski, can't say enough good things about you folks. Recently you've raised almost $65 million, mostly from the private sector, to be used for an energy center at the University of Oklahoma. Upon completion, it will make that university a world leader in energy-related study. Similarly, Oklahoma State University is known for its outstanding contributions to the science of agriculture. In these two areas of utmost importance to the well-being of America—energy and agriculture—Oklahoma is setting the pace.

There are those who claim the spirit that built America is dead. They suggest that the traditional values of family, of neighbor helping neighbor, of pride in work and country are things of the past. Well, let them look to Oklahoma.

I appreciate having this opportunity to speak with you during the 75th year of your statehood. And it's not true that I was in the original land rush. [*Laughter*] I don't get too many chances to be around someone or something that's older than I am. [*Laughter*]

Your parents and grandparents knew that statehood was something of which to be proud. They weren't satisfied with being a territory of the Federal Government, and I don't think that you are either. Working together, and with God's help, we can rebuild a Federal system created by proud and independent pioneers. Together we can ensure that our children can be just as proud, independent, and free as those who came before us—free in this federation of sovereign States.

Thank you, and God bless you.

Note: The President spoke at 11:05 a.m. in the Capitol.

Following his address, the President returned to the Skirvin Hotel, where he spoke by phone with Governors William G. Milliken of Michigan and James A. Rhodes of Ohio, whose States had been affected recently by severe storms and flooding. The flood area included portions of southern Michigan, northern Ohio, and northern Indiana.

On departing Oklahoma, Air Force One flew over Bartlesville so that the President could view the damage caused by tornadoes which struck the area the previous day. The President then stopped in Fort Wayne, Ind., where he was met by Ohio Governor Rhodes, Governor Robert D. Orr of Indiana, and Mayor Winfield Moses of Fort Wayne. The President visited several sites in the flood area and spoke with local residents. He then returned to Washington and arrived at the White House late in the afternoon.

Statement by Deputy Press Secretary Speakes on the Soviet Announcement Concerning Missile Deployment

March 16, 1982

Upon examination, the "unilateral moratorium" offered by President Brezhnev is neither unilateral, nor a moratorium.

The offer, President Brezhnev makes clear, is limited to the European Soviet Union, thus leaving the U.S.S.R. free to continue its SS–20 buildup east of the Urals, well within range of Western Europe. As we have noted on many occasions, given its range and mobility, an SS–20 is a threat to NATO wherever located.

President Brezhnev clearly links his "unilateral" offer to the condition that Western preparations for the deployment of ground launch cruise missiles (GLCM) and Pershing II's, agreed upon in December 1979, do not proceed. This condition, plus the fact that the Soviets have already prepared sites for new SS–20's west as well as east of the Urals, demonstrate that this is a propaganda gesture and that the Soviets do not really intend to stop their SS–20 buildup.

The Soviet SS–20 force already exceeds the dimensions of the expected threat when NATO took its decision of December 1979 to deploy U.S. GLCM and Pershing II missiles in Europe and to seek, through arms control, to reduce planned levels of long-range intermediate nuclear force (INF) missiles on both sides. The Soviets now have 300 SS–20 missiles deployed, with 900 warheads. Brezhnev's freeze proposal is designed, like previous Soviet statements over the past 3 years, to direct attention away from the enormous growth of Soviet capabilities that has already taken place and the enormous preponderance that the Soviet Union has thereby acquired.

It is unfortunate that the Soviets did not choose to exercise real restraint before their SS–20 buildup began. NATO, for its part, has been observing restraint on INF missiles for well over a decade, which the Soviets simply exploited.

In sum, President Brezhnev's offer is neither evidence of Soviet restraint, nor is it designed to foster an arms control agreement. Like previous such Soviet freeze proposals, this one seeks to legitimize Soviet superiority, to leave the Soviet Union free to continue its buildup, to divide the NATO Alliance, to stop U.S. deployments, and thus to secure for the Soviet Union unchallenged hegemony over Europe.

The United States has put forward concrete proposals in Geneva for the complete elimination of missiles on both sides, cited by Brezhnev in his remarks of today. We regret the Soviet Union apparently prefers propaganda gestures to concentrating on serious negotiations in Geneva. For its part, the United States, with the full support of its allies, will continue to implement both tracks of the December 1979 decision on the deployment of new systems to Europe and the pursuit of genuine arms control, which we hope will make those deployments unnecessary.

President Brezhnev's proposal to place limits on the operations of missiles submarines is also not a serious proposal. U.S submarines, by deploying to extensive ocean areas, are able to remain invulnerable to Soviet attack, and thus constitute a stable deterrent force. Reducing their area of operations in the world's oceans would increase their vulnerability and erode our confidence in their deterrent capability. The Soviet proposal, therefore, is entirely self-serving. Having made a large fraction of our land-based ICBM force vulnerable through their large ICBM buildup, the Soviets in this proposal are attempting to reduce the confidence we have in the sea-based leg of our deterrent.

The proposal for a ban on the deployment of ground-based, long-range cruise missiles is yet another transparent effort to disrupt NATO's 1979 two-track decision. Moreover, in focusing on sea-based as well as land-based, long-range cruise missiles, the proposal ignores the hundreds of shorter range cruise missiles that the Soviet Union currently deploys aboard its warships.

Finally, we want to reiterate the four principles underlying the Reagan administration's approach to arms control. These are to seek agreements that:

1. produce significant reductions in the arsenals of both sides;
2. are equal, since an unequal agreement, like an unequal balance of forces, can encourage coercion or aggression;
3. are verifiable, because when our national security is at stake, agreements cannot be based simply upon trust; and
4. enhance U.S. and Allied security, because arms control is not an end in itself, but an important means toward securing peace and international stability.

These four principles were highlighted by the President in his speech of November 18, 1981. They underlie our position in the current Geneva negotiations on the elimination of U.S. and Soviet intermediate-range nuclear missile forces. They also form the basis for our approach to negotiations with the Soviet Union on the reduction of strategic arms—the START talks.

Interview in Oklahoma City With Reporters From the Daily Oklahoman
March 16, 1982

Soviet President Brezhnev's Offer of a "Unilateral Moratorium"

Mr. Gaylord. Mr. President, I wonder if you have any reaction to President Brezhnev's statement of pulling back some Soviet missiles?

The President. Well, yes, I do. It's one more of sorrow than irritation. I think it's time to stop playing these political games. You know, a unilateral freeze leaves them with 300 missiles and 900 warheads aimed at Western Europe—against nothing. And what we're talking about in Geneva and what I spoke about on November 18th, I really mean. We can erase and eliminate that entire threat for both the Soviet Union and the Bloc, the Soviet Bloc, and Western Europe, by a reduction of those missiles down to zero. I'm ready and willing to—well, we *are* meeting on that—I'm ready and willing to meet him on the discussion of the other, the strategic missiles at any time on the same thing.

It just doesn't make sense for the world to be sitting here with these weapons aimed at each other—the possibility of human error and the thing that can happen. But, as I say, this is a pretty easy freeze. You know, there were 250 of those missiles when we started to negotiate—when I made my speech on November 18th. There are now 300. And it's pretty easy to freeze when you're 300–0.

Decontrol of Natural Gas

Mr. Cromley. Mr. President, we have to ask you a question that particularly pertains to our part of the country. You're saying that the phase-in of complete decontrol of natural gas is a remaining goal. I wonder if you could tell us possibly when you might recommend that or push for it?

The President. Well, as soon as it would be practicable. Right now, the information we have from up on the Hill is—with this battle over the budget and the taxes and so forth—they just are very reluctant to even approach this or let it be touched. So, we're kind of waiting for signals there.

President's Veto Power and the Budget

Mr. Standard. You mentioned yesterday that you wouldn't hesitate to use your veto power. Were you referring specifically to any attempt by Congress to repeal the tax cuts of last year?

The President. Well, any attempt to do away with what I think are the three basic fundamentals that are part of the program. Now I'm not fixed in concrete as to every specific in our program, if someone can come up and show me better ways of approaching the cut idea, or if there are better ways of meeting the incentive thing that I think the tax cuts are aimed at in restoring the economy. When I was Governor, I always refused to talk about vetoes until it was there on my desk, because I said what starts out to be an apple might end up an orange before it gets there.

But what I meant the other day was, I would not hesitate to use that veto if it is a case of gutting either one of these three fundamentals; in other words, reducing our inability to redress the imbalance in national security, if it's one that's going to reverse the course of incentive taxation to get the economy going again, or if it's one that is not going to legitimately approach the need of reducing the cost and size of government.

And I still think, as I say, there's some room in there for flexibility if someone's got some practical suggestions that will help all this. You know, one suggestion that's been made is cutting defense spending by, say, $10 billion. Well, you could totally eliminate every one of the major weapons programs that are in the defense budget, and you'd only cut the budget by $6½ billion next year. You wouldn't have reached that $10 billion. So where are they going to get it? Now I think a much more practical thing with regard to defense spending is what we have started already putting together.

You know, when I was Governor we went

for a very unusual thing in State government—the task forces, businessmen's task forces in which we got 250 or more of the most successful people in our State in their lines of activity to come in on task forces and go through government and, as I described it to them, "Look at it as if you're thinking of merging, that is, a business you're thinking of taking over. What would you change? What are the business practices that could be employed to make it better and more efficient and more effective?" And they came back after an average of 117 days with more than 2,000—or almost 2,000, I should say—recommendations. We implemented 1,600 of those. Well, I'm going to do something like the same thing at the Federal level. We've asked Peter Grace of the Grace Company to chair these task forces, and the first place they're going to go is Defense.

Now they're not going to go in there to see whether you should do away with a weapon program or not. They're going to go in and see down through that vast structure what no Secretary from up on top can see for himself, by the way—are there business practices that you wouldn't put up with in private business?

Federal Reserve Board

Mr. Gaylord. I want to ask about Mr. Volcker and the Federal Reserve Board. Don't you think he's a liability now instead of an asset to this country?

The President. Well, we've——

Mr. Gaylord. Of course, he was appointed by Carter, I realize.

The President. Yes, but I must say we've had some talks, and I think they hold to what—they are legitimately trying to join with us in a path that we're taking. The trouble in the past has been that roller coaster. And the funny thing is, when they increase the money supply—and this last time, the little spurt after the interest rates had started down, was because there was a spike going up. But now they are coming and trying to come close to their path between 2½- and 5½-percent increase and stay near the upper level because of this recession thing in that 5-percent frame. But there was a spike that shot up there in the last 10 weeks or so of the year, and with it went the—as I say a little spurt in the interest rates started up.

I think now, the real thing that is holding the interest rates up can be found outside of the Fed and outside of government. There had been so much over the last 40 years—this is the eighth recession since the war—there had been so much of that roller coaster, and every time that we've had a problem like the unemployment—the money market out there has seen them do this money thing and then they've seen the resulting raise in inflation.

And I believe that what we're really up against—and I talked to some business leaders the other day back there from the Roundtable, and they affirm this—that there just is a lack of confidence that it isn't going to be the same old game, that Congress won't go through with the budget reductions, that they will see the same pattern. And so they're not going to lend that money with the possibility that inflation is then going to shoot up.

By every indication, our inflation rate is such that the interest rates should be much lower than they are. Last month, inflation was only running at 3½ percent.

Mr. Gaylord. Well, the interest rate shouldn't be over—three points above that, should it?

The President. That's right, 3 or 4 percent above that.

Mr. Gaylord. Right.

The President. And it's averaged, since October 1st, the beginning of the fiscal year, it's averaged less than 5 percent. So, we think that we're doing—but again, out there, they don't believe it's going to last. So they say they're waiting to see, that inflation's going to go up, or they're going to charge interest rates accordingly on the basis that they think it will.

News Leaks and Media Coverage

Mr. Cromley. Mr. President, what is your reaction to the leaks in the Washington Post in the Haig matter and also in the covert operations in Nicaragua? Is this damaging to our foreign policy?

The President. Yes, I think it is. Forgive me, but I think even more so perhaps where we get to the network news. I think there is a lack of responsibility that, on the basis of leaks—and who knows where those are from or what motivates them—they print things that actually can set us back.

Now, way back when the AWACS thing was going on, one such story, if I hadn't gotten on the phone, if there hadn't been a member of the Saudi royal family in the country to tip us off, all our efforts—we're trying to recognize, we're trying to establish a bond with the Arab States, the more moderate Arab States, to where we can bring them into the peacemaking process with Israel. I don't think it does any good for us to be seen as just Israel and the United States on the one side and all of them on the other. Then we don't have any persuasive power. And this was what part of the AWACS was based on. And fortunately for this tipoff, I got on the phone. But it was a news story, just the kind you're talking about, in the same place. I got on the phone, and just in time, because in Saudi Arabia they were ready to call in the press and blast the United States, and that was the end of that.

But those things, and when I mentioned the network news—in a time of recession like this, there's a great element of psychology in economics. And you can't turn on evening news without seeing that they're going to interview someone else who's lost his job, or they're outside the factory that has laid off workers and so forth—the constant downbeat that can contribute psychologically to slowing down a new recovery that is in the offing.

Mr. Cromley. Can you attribute this to anything, Mr. President?

The President. Well, with regard to the network news, I wonder sometimes if it isn't the battle of the ratings, the Nielsen ratings, and if they aren't more concerned with entertainment than they are with delivering news. It's an entertainment medium, and they're looking for what's eye-catching and spectacular, not necessarily—is it news that some fellow out in South Succotash someplace has just been laid off, that he should be interviewed nationwide? Or someone's complaint that the budget cuts are going to hurt their present program?

As a matter of fact, one station put a family on television some months ago, a man obviously disabled somewhat because he was limping, had been dropped from social security disability payments, and his wife was crying and didn't know what they were going to do, and the children were there all disconsolate, and so forth. Well, I saw that on television, I went storming into the office in the morning, and I said, "Look, this guy's disabled. What are we doing?"

We hadn't taken him off. He'd been taken off disability in 1980 because it was found then that he was holding a job and had been holding a full-time job for 3 years while he was drawing disability payments. And yet, they ran it as if it was something that we had just done.

Mr. Cromley. Do you feel that there's a danger that your image, and rightful image as a compassionate, kind, generous man could be eroded by this sort of thing?

The President. I think there's not only a possibility, I think they've done a pretty good job of it. I'm Scrooge to a lot of people, and if they only knew it, I'm the softest touch they've had for a long time.

Budget Deficits

Mr. Cromley. Could I ask you about deficits for a minute, Mr. President? It seems that everybody from the right to the left is saying that your deficit is too high. I'm sure you think it's too high, too. Yet, it seems to be a "Catch-22" situation—that is, they say they're not going to do anything about it, about anything in your economic program, until there's a lower deficit. Is there anything that can be done that you see?

The President. Yes.

Mr. Cromley. Beyond what you recommend?

The President. Yes. If the people will stand firm and make it plain the Congress, as they did last year—we've asked for $31 billion in additional cuts. Now, there's been no sign yet that we're getting those cuts in the Congress.

Mr. Cromley. That brings it down to $91 [billion], the $31 billion that you've asked be cut?

The President. Yes, the deficit is based on that, bringing down that spending. Now, there may be additional areas where we can reduce further, and we should be definitely thinking about it, but I'm just wondering if we can get that kind of bipartisan action with an election coming up or whether one side is willing to accept the situation in return for having some campaign issues.

Now, here we are, asking for $31 billion cut. The other side is trying to make an issue out of the deficit. Now, the deficit went up simply because of the recession. If you add one percentage point of unemployment, you add $27 billion to the deficit. It isn't that we had goofed in the estimates we had originally made, we made the estimates based on the situation at that time. And then when the interest rates persisted as long as they did—and incidentally, then the money supply was way below the target mark—if those persist, and then we have the unemployment that we've had, up had to go this deficit.

Right now, they think that we're being rosy. Stockman added a few billion dollars to the deficit the other day. Now, what was he doing it on? He was doing it because he felt conscience-bound, as we all do, on the projection—now, it's purely a projection, a drought could change all this—that we're going to have bumper crops to the point that the projection is that prices are going to be lower for the farmers, which is going to increase the government's payments to the farmers.

Now, at this very time that we're asking for these, and asking—look, we'll talk to them about any additional cuts that can further bring this down—an informal poll of subcommittee chairmen in the House the other day found that among them—totals $29 billion in additional spending that they're discussing in their committees.

Now, I think someone should begin to ask now—the '82 budget was our version of the budget that we had inherited, that had been laid out before us. And we cut that by around $49 billion. Now, where would the deficit for '82 have been if we'd gone with the budget that we had inherited? And where will that deficit that they're talking about be in '83 if they refuse to make the $31 billion in cuts?

So, I don't think they can have it both ways—that the deficit is an issue at the same time they refuse to take any action or support us in any action that would reduce it.

1982 Congressional Campaigns

Mr. Standard. Mr. President, how active do you plan to be personally in the congressional campaigns this year?

The President. How active in the congressional campaigns? Well, all that I can do. I know that there's no way that a person could probably intervene. But I think in fundraising, I think the making of commercials, radio and TV, for candidates—I want to do all I can, because I think it's all important. We've had here, last night, and in the two stops yesterday before here, Alabama and Tennessee, both instances, they had fundraisers in connection with that after I'd spoken with the legislatures. And so I'm going to do all that I can in that regard.

Mr. Gaylord. Mr. President, we've run out of time. Thank you very much, Mr. President. We appreciate it.

Note: The interview began at 10:05 a.m. at the Skirvin Plaza Hotel. Participating in the interview were Edward Gaylord, Allan Cromley, and Jim Standard.

The text of the interview was released by the Office of the Press Secretary on March 17.

Remarks on Signing a Message to the Congress Transmitting Proposed Caribbean Basin Initiative Legislation

March 17, 1982

Ladies and gentlemen, I have a statement with regard to this signing here, and for the sound press I shall read it.

Three weeks ago, in an address to the Organization of American States I presented a comprehensive proposal designed to

help the peoples of the Caribbean Basin cope with a crisis of unprecedented proportions. Today, I am transmitting this plan to Congress.

The well-being and security of our Caribbean Basin neighbors are in our own vital interests. Today, both their economic well-being and security are threatened. Economic disaster is consuming our neighbors' money reserves and credit, it's forcing thousands of people to immigrate, and threatening even the most established democracies. Extremist groups and violent minorities are exploiting this economic misery to gain new footholds in this hemisphere. If we don't act now, the dangers will grow. New Cubas will arise, and the cost of ensuring our security to the south will escalate.

The plan I'm offering today addresses the underlying economic crisis that offers opportunities to the foes of freedom. Our program, like the crisis itself, is unprecedented and consists of mutually reinforcing measures in the fields of trade, investment, and financial assistance. The package is a balanced one, and every component is essential. It's not foreign aid as usual, but a program that is based on unique American practices that we know work.

It will support our neighbors' efforts to achieve economic progress, political democracy, social justice, and freedom from outside intervention. By encouraging a more productive and dynamic private sector, it will develop the jobs, goods, and services which the people of the Basin need for a better life. This is our contribution. Others in this hemisphere are also increasing theirs. Our willingness to act boldly has been a catalyst.

Earlier this week, Al Haig and Bill Brock met with ministers of Colombia, Mexico, Venezuela, and Canada to discuss programs. These countries are making substantial contributions.

Colombia, which is itself a developing country, is increasing trade credits, balance of payment swaps, and technical assistance, and will extend trade preferences. Canada will more than double its assistance. Mexico and Venezuela, in addition to the $700 million a year oil facility, are increasing other programs including trade preferences. Our countries agreed jointly to ask the Europeans and Japan to pitch in, too, and we'll be meeting with them soon.

I'm acutely conscious that we ourselves are going through a period of economic difficulty. I wouldn't propose this program if I were not convinced that it is in our vital national interest. The economies of these countries are small, the impact of the trade measures will develop slowly. Every protection available to U.S. industry and labor against disruptive imports will remain.

The crisis in the Caribbean Basin is not a partisan issue. I urge the Congress to move with maximum speed. Congress' leadership will be crucial. Our security cannot wait.

[*At this point, the President signed the message.*]

The deed is done. [*Referring to the Members of Congress:*] Now it's in your hands.

Note: The President spoke at 10:35 a.m. in the Roosevelt Room at the White House. Reporters were present for the signing ceremony which was attended by several Members of the Congress.

Message to the Congress Transmitting Proposed Caribbean Basin Initiative Legislation

March 17, 1982

To the Congress of the United States:

On February 24, before the Organization of American States, I outlined a major new program for economic cooperation for the Caribbean Basin. Today I am transmitting this plan to the Congress for its action.

The economic, political and security challenges in the Caribbean Basin are formidable. Our neighbors need time to develop representative and responsive institutions, which are the guarantors of the democracy and justice that freedom's foes seek to stamp out. They also need the opportunity to achieve economic progress and improve their standard of living. Finally, they need the means to defend themselves against attempts by externally-supported minorities to impose an alien, hostile and unworkable system upon them by force. The alternative is further expansion of political violence from the extreme left and the extreme right, resulting in the imposition of dictatorships and—inevitably—more economic decline, and more human suffering and dislocation.

Today, I seek from the Congress the means to address the economic aspect of the challenge in the Caribbean Basin—the underlying economic crisis which provides the opportunities which extremist and violent minorities exploit.

The crisis facing most of the Basin countries is real and acute. Deteriorating trade opportunities, worldwide recession, mounting debt burdens, growing unemployment and deepseated structural problems are having a catastrophic impact throughout the region. This economic disaster is consuming our neighbors' money reserves and credit, forcing thousands of people to emigrate, and shaking even the most established democracies.

This is not a crisis we can afford to ignore. The people of the Caribbean Basin are our neighbors. Their well-being and security are in our own vital interest. Events occurring in the Caribbean Basin can affect our lives in profound and dramatic ways. The migrants in our midst are a vivid reminder of the closeness of this problem to all of us.

The program I am presenting to Congress today is integrated and designed to improve the lives of the peoples of the Caribbean Basin by enabling them to earn their own way to a better future. It builds on the principles of intergrating aid, self-help and participation in trade and investment which I emphasized at the Cancun Summit last October. It is a different kind of assistance program for developing countries, based on principles and practices which are uniquely American and which we know have worked in the past. It will help revitalize the economies of this strategically critical region by attacking the underlying causes of economic stagnation. Most significantly, it helps expand economic opportunities for the people of the Caribbean Basin to make possible the achievement of a lasting political and social tranquillity based on freedom and justice.

I want to emphasize that this program is not an end in itself. What we seek in the final analysis is to help the people in the Basin build for themselves a better life, not just economically but across the full spectrum of human needs and aspirations. History, and particularly the history of this Hemisphere, has shown that a pluralistic society with strong, free private institutions—churches, free trade unions, businesses, professional and other voluntary associations, and an independent press—is our best hope in moving toward that ultimate goal.

Our development program takes this into account; it will encourage progress in the beneficiary countries toward reasonable workplace conditions and opportunities for workers to associate freely and bargain collectively.

The United States has been developing this program in close consultation with the countries of the region and with other donor countries. Last July, we joined with Canada, Mexico and Venezuela to launch a multilateral action program for the region. It was agreed that each country would develop its own program but within a multilateral consultative framework. Mexico and Venezuela are operating an oil facility for the Caribbean Basin. Canada is more than doubling its aid. The program I am presenting today is our contribution.

We have worked carefully with both government officials and the private sector in the Basin countries to assess their needs and their own priorities. We have also consulted with other potential donors, including Colombia, as well as multilateral development institutions. This program is part of an overall coordinated effort by countries within and outside the region. Its structure will ensure not only that our own actions will be effective, but that their impact will be multiplied by the efforts of many others.

The program is based on integrated and mutually-reinforcing measures in the fields of trade, investment and financial assistance:

—Its centerpiece is the offer of one-way free trade. I am requesting authority to eliminate duties on all imports from the Basin except textiles and apparel items subject to textile agreements. The only other limitation will be for sugar; as long as a sugar price support program is in effect, duty-free imports of sugar will be permitted only up to specified ceilings. Safeguards will be available to U.S. industries seriously injured by increased Basin imports. Rules of origin will be liberal to encourage investment but will require a minimum amount of local content (25 percent). I will designate beneficiary countries taking into account such factors as the countries' self-help policies.

—I am proposing an extension of the 10 percent tax credit that now applies only to domestic investment to new equity investments in qualifying Caribbean Basin countries. A country would qualify for the benefit for a period of five years by entering into a bilateral executive agreement with the U.S. to exchange information for tax administration purposes.

—I am requesting a supplemental appropriation for the FY 1982 foreign assistance program in the amount of $350 million in emergency economic assistance. This assistance will help make possible financing of critical imports for the private sector in Basin countries experiencing a severe credit crunch. I expect to allocate the emergency supplemental in the region as follows:

El Salvador: $128 million. El Salvador's economy is in desperate straits. The insurgents have used every tactic of terrorism to try to destroy it. El Salvador desperately needs as much assistance to stimulate production and employment as we can prudently provide while also helping other countries of the region.

Costa Rica: $70 million. Costa Rica has a long tradition of democracy which is now being tested by the turmoil of its economy. Once Costa Rica has embarked on a recovery plan, it will need significant assistance to succeed in restoring investor confidence and credit to its hard-hit private sector.

Honduras: $35 million. The poorest country in the Central American region, Honduras faces severe balance of payments constraints, spawned primarily from falling prices of major exports and rising import costs.

Jamaica: $50 million. Jamaica's recovery is under way but continued success is still heavily dependent on further quick-disbursing assistance to overcome a shortage of foreign exchange for raw materials and spare parts.

Dominican Republic: $40 million. The Dominican Republic is attempting to adjust to drastically-reduced economic activity brought on primarily by falling prices of its major export crop (sugar) and heavy dependence on imported oil. Critical economic reforms must take place in a difficult political climate as elections grow near. Once the free trade provisions go into effect, the Dominican Republic will also receive as a result of the duty-free quota for its sugar exports immediate benefits going beyond the $40 million indicated here.

Eastern Caribbean: $10 million. Economic stagnation has dried up investment and strangled development in these island ministates where unemployment is a particular problem, especially among youths.

Belize: $10 million. Newly-independent Belize faces a perilous economic situation brought on by falling sugar prices and stagnant growth. Belize needs short-term assistance as a bridge to the development of its own considerable natural resources.

Haiti: $5 million. Illegal immigration from Haiti is spurred by stagnant economic activity and a credit-starved private sector in a country already desperately poor.

Latin American Regional/American Institute for Labor Development (AIFLD): $2 million. Free labor movements, assisted by our small AIFLD programs, can be the underpinning of a healthy private sector and its ability to expand and grow, leading the region to stable social and economic progress.

In a separate action I am also requesting action on the economic assistance program for FY 1983. This includes $664 million in economic assistance for the Caribbean Basin. This program will be directed largely into longer-term programs aimed at removing basic impediments to growth. Although not a part of the legislation which I am transmitting today, the FY 1983 aid request is an integral part of our overall program for the Caribbean Basin. We cannot think of this program as a one-time injection of U.S. interest and effort. If it is to succeed it must be a sustained commitment over a number of years. I strongly urge the Congress to approve this request in full.

In addition to these legislative requests, I am directing the following actions, which are within the discretion of the Executive Branch:

—We will extend more favorable treatment to Caribbean Basin textile and apparel exports within the context of our overall textile policy.

—We will seek to negotiate bilateral investment treaties with interested countries.

—We will work with multilateral development banks and the private sector to develop insurance facilities to supplement OPIC's political risk insurance coverage for U.S. investors.

—The U.S. Export-Import Bank will expand protection, where its lending criteria allow, for short-term credit from U.S. banks, as well as local commercial banks, to Caribbean Basin private sectors for critical imports.

—With the governments and private sectors of interested countries, we will develop private sector strategies for each country. These strategies will coordinate and focus development efforts of local business, U.S. firms, private voluntary organizations, the U.S. Government, and Puerto Rico and the Virgin Islands. The strategies will seek new investment and employment opportunities and will also seek to remove impediments to growth including lack of marketing skills, trained manpower, poor regional transport, and inadequate infrastructure.

Puerto Rico and the U.S. Virgin Islands have a long-standing special relationship with the United States. Their development must be enhanced by our policy toward the rest of the region. We have consulted closely with Puerto Rico and the Virgin Islands about the Caribbean Basin Initiative and the legislation I am requesting today will reflect Puerto Rican and Virgin Island interests in many important ways.

—The Accelerated Cost Recovery System (ACRS) and the Investment Tax Credit (ITC) will be extended to property used by companies operating in Puerto Rico and the U.S. Virgin Islands. Similar benefits will be available to other U.S. possessions.

—Excise taxes on all imported rum will be transferred to Puerto Rico and the Virgin Islands.

—Inputs into Caribbean Basin production from Puerto Rico and the U.S. Virgin Islands will be considered domestic inputs from Caribbean Basin countries for purposes of the rules of origin.

—Industries in Puerto Rico and the Virgin Islands will have access to the same safeguards provisions as mainland industries.

In addition, we will support proposed legislation which will permit products from the Virgin Islands whose foreign content does not exceed 70 percent to receive duty-free treatment. At present the maximum foreign content permitted is 50 percent.

To further the integrated agricultural development of the Caribbean Basin, we will make greater use of the agricultural and forestry research, extension and training facilities of the Federal Government and those of Puerto Rico and the United States Virgin Islands, especially the tropical agricultural research facility at Mayaguez, Puerto Rico.

All these elements in the Caribbean Basin program are inextricably linked together, and to the fundamental objective of helping our neighbors help themselves. A key principle of the program is to encourage a more productive, competitive and dynamic private sector, and thereby provide the jobs, goods and services which the people of the Basin need for a better life for themselves and their children. All the elements of this program are designed to help establish the conditions under which a free and competitive private sector can flourish.

Most countries in the Basin already recognize that they must reform many of their economic policies and structures in profound and sometimes painful ways in order to take advantage of the new economic opportunities of this program. We—the United States and other outside donors—can offer assistance and support, but only the people in the Basin themselves can make this program work.

Some of the benefits of this program will take considerable time to mature; others are designed to have an immediate effect. But the challenge is already upon us; the time to begin is now. I urge the Congress to act with maximum speed.

I also urge the Congress to consider very carefully any changes in this program. The actions in trade, aid and investment are inter-related. Each supports the other, so that together they comprise a real spur toward the entrepreneurial dynamism which the area so badly needs. A significant weakening in any of them could undermine the whole program.

In the Caribbean Basin, we seek above all to support those values and principles that shape the proud heritage of this Nation and this Hemisphere. With the help of this Congress, we shall see these values not only survive but triumph in a Caribbean Basin which is a community of peace, freedom and prosperity.

RONALD REAGAN

The White House,
March 17, 1982.

Note: The text of the proposed bill and a section-by-section analysis were included as part of the White House press release.

Remarks of the President and Prime Minister Charles J. Haughey of Ireland at a Luncheon Honoring the Prime Minister

March 17, 1982

The President. Mr. Prime Minister, Mrs. Haughey, honored guests, sons and daughters of Ireland—and all those of you who wish you were—[*laughter*]:

Last year, I celebrated this important day lunching at the home of the Irish Ambassador. I'd only been at my current job for a short while, and your Ambassador, Mr. Prime Minister, presented me a scroll detailing my family tree. I imagine he thought that if I was assured of my Irish ancestry, I'd be more confident I could handle the job. [*Laughter*]

Well, it's been a good year, although there have been problems. Mr. Prime Minister, you and I have something in common: We both have to deal with legislative bodies which are led by an Irish Speaker. [*Laughter*]

Seriously, so many of our citizens have family trees with roots in the Emerald Isle. This was brought home to me during an unfortunate incident, which took place shortly after St. Patrick's Day last year. Outside the Washington Hilton Hotel some shots rang out, and four of us were hit—Thomas Delahanty, a fine police officer who's with us today, and Timothy McCarthy, a member of the Secret Service detail who deliberately placed himself between me and the gunman, and Jim Brady, a friend and trusted adviser. Now, it doesn't take a genealogist to figure out the ethnic origin of all of us who were wounded. [*Laughter*]

Irishmen and their descendants have always played a significant role in America's history. Some of our most fiery patriots, the ones who inspired the colonies on to independence, were of Irish blood. Now, some historians might suggest they were trying to settle a score with England. I don't know why anyone should think such a thing. [*Laughter*] The truth is, there are few people on this planet whose hearts burn more with a flame of freedom than do the Irish. And maybe that's why so many were moved to come here and be part of our noble experiment. In a world awash with dictatorships and despotism, we can be proud that Ireland and the United States remain dedicated to the principles of liberty.

I want to congratulate you, Mr. Prime Minister, on your recent election and pledge to you an amicable and trusting relationship between us.

Now, just a moment ago, the Minority Leader of the House, Congressman Michel, just came up and presented me with a shillelagh, and the suggestion was made that I might use it to get legislation through the Congress. [*Laughter*] Now, that's one of the few things I hadn't thought of, Mr. Prime Minister. If you've got any pointers in the use of this, I'd be most grateful. [*Laughter*]

Nancy and I are pleased to have you join us on this special day. It's grand to have you here in this house, which I might add was designed by another of Erin's sons, as was the Great Seal of our nation. And now, I would ask all of you to join with me in a toast to our honored guests, Prime Minister and Mrs. Haughey.

The Prime Minister. Mr. President, I would like to thank you for your kind words of welcome and for the warmth and splendor of your hospitality. My wife and I and the members of our party are overwhelmed by the friendliness and cordiality shown to us on this short visit to your great country.

I could offer by way, perhaps, of recompense, that if you have any great trouble, Mr. President, with the Irish Speaker, I could offer you my assistance, borne from years of experience with dealing with difficult Irish Speakers. [*Laughter*]

For any Irishman, it is an exceptional honor to be received in this house which, as you've said, Mr. President, was designed by an Irishman and is in itself a symbol of the manner in which the history of our two countries is woven together. To be received in the White House by a President who bears an Irish name and cherishes his Irish heritage is a unique and special experience.

The United States, Mr. President, was the first nation in the world's history to be founded on a dream. And it was a dream which over the years has comingled with reality—sometimes as dreams will, outshining it, and at other times, again fading away from it. But in those valleys which all nations experience, when the reality has seemed to fail a dream, there have not been wanting great statesmen and men of courage to reshape the destinies of this land and to recall their countrymen to the brightness of the original vision. And if the United States has been for its citizens ideal in fact, dream and reality, so it has been for millions of Irish men and women also.

I need hardly remind a St. Patrick's Day gathering of that deep wish for a new life across the sea which for so long sustained so many of our countrymen, or of the countless thousands who came to these shores in sorrow and bewilderment and found what they had scarcely dared to hope for—found that their own personal individual dream had at last come true. But though they made their own of this great new land, they rarely severed their ties with home. And the letter from America has entered deep as folklore and as fact into the Irish consciousness, into our literature, our tales of the past, our family memories.

And because those who came here wrote home so faithfully, more than any other people in Europe, we dreamed the American dream and shared the American reality along with you. The ancient nation of Ireland, emerging in this century into a modern state, has been founded on those same ideals which you were the first to set forth. Wolfe Tone, the first Irish political thinker to conceive the dream of an Irish Republic where all whom God had created equal should be recognized as equal, all whom God had created free should really be free, was deeply influenced by the fact that there was already in existence beyond the sea a great new nation, conceived in liberty and dedicated to equality.

From that day to this, as we dreamed our dream and fought to establish a republic dedicated to equality, we have always turned to you as a source of vision and help.

The greater part of the island of Ireland today has become a modern state, where all are free and equal before the law, where bigotry and discrimination have faded away, and sectarianism holds no place in our laws, our constitution, or our daily lives.

And in speaking of these things to Americans, I know the sympathy and understanding they will evoke. For no man can speak of freedom and equality to Americans without striking chords—of the lamps burning in the belfries of New England, of those farmers that stood by the bridge at Concord, or of the great document that the Founding Fathers composed at Philadelphia.

But there's one thing we Irish have not yet achieved and of which we are constantly reminded everywhere we go in this great Capital City, where the memory of Abraham Lincoln and his struggle to save the American union and to avoid the partition of his country are so beautifully and so splendidly commemorated.

Whereas Lincoln sought to prevent the partition of his country, we are seeking to bring to an end the partition of ours. And the obstacles to that goal are in part the age-old ones which so nearly sundered the young United States—misunderstanding, ignorance, prejudice, suspicion, and fear.

We have pledged ourselves to overcoming these obstacles to further the reconcilement of the two great traditions of our island—to give unto that end any pledge that may be sought, any guarantee that may be thought necessary, and to making unassailable constitutional arrangements for those in the northern part of Ireland who may feel a special need for such provisions.

Irish people everywhere yearn for that day when their country will finally find peace and justice in unity, and they, in their turn, in their land, will create a "shining city on a hill."

With the good will of that worldwide Irish spiritual empire which is stronger here in the United States of America than anywhere else, the Irish Government will do all we can through the Anglo-Irish process, or any other forum, to achieve that historic purpose.

In the noble words of Lincoln's Second Inaugural Address, inscribed on the walls of his beautiful memorial in this city, the work we are engaged upon is to "bind up the nation's wounds." Countless millions of ordinary Irish men and women have by their labor and their sacrifice contributed to the power and the stature of this great American Republic, and in their name, I look confidently for support and encouragement for our endeavors in Ireland today.

Ireland holds a special place in the affections of millions of Americans. And it is my hope that that feeling will inform American policy and actions and ensure that the encouragement of Irish unity ranks high among her international objectives. There is much to be done. And the first thing is that Britain be encouraged to seek more positively and persuade more actively a change in attitudes and outlooks, which would pave the way for unity and so enable her final withdrawal from Ireland to take place with honor and dignity.

We in Ireland know, Mr. President, that your regard for our country is no mere sentimental attachment to your Irish roots, but that you have a sympathetic and concerned interest in Ireland and in her problems. This is hardly surprising in one whose ancestors played their own part in Ireland's history. The Reagans were, and I quote from their motto, "The Defenders of the Hills." And for more than seven centuries, against all comers, they held the only pass through their territory of Y Regan in the Slieve Bloom Mountains. They held it against friend and foe. And the English, at one stage in their long and unsuccessful efforts to conquer our country, paid the O'Reagans a great compliment. Their commanders, methodical men, prepared and sent to London, maps on which were marked the names of the most redoubtable Irish chieftans, those from whom the strongest resistance was to be expected.

I have brought with me such a map, dating from the 16th century, and showing the Slieve Bloom Mountains and the unconquered territory of the O'Reagans. I present it to you, Ronald Reagan, defender of the hills, President of the United States of America, and friend of Ireland.

The President. Mr. Prime Minister, I thank you very much. I realize that I'm going to be threatened with investigation of my income tax if I don't at least share it with Don Regan. [*Laughter*]

Incidentally, before—we're going to have entertainment here, and I know you're going to love it, because I've heard these two wonderful artists before—but I also mention that while government is often very lacking in timing, not this time. Yesterday, we swore in, to be effective as of today, our new Ambassador to Ireland, Pete

Dailey.

[*At this point, Frank Patterson, tenor, accompanied by Eily O'Grady on the piano and Irish harp, presented a program of Irish songs. The President then resumed speaking with a reference to the fact that he wasn't using a microphone.*]

If he didn't need one, I'll try it without one, too. [*Laughter*]

Ladies and gentlemen, you have been hearing Frank Patterson, and Eily O'Grady at the harp and the piano. And in another part, the major part of their lives, they are Mr. and Mrs. Frank Patterson. And they're renowned throughout Europe and their own country. They have recorded, if you're interested in hearing that again. I'm not only grateful to them for being here, giving of their wonderful talent to us, but grateful that you sang this other song after "Danny Boy," because if you'd stopped on "Danny Boy," I wouldn't have been able to talk. [*Laughter*] We were very, very moved in the audience here. But we're grateful to you, and we're honored by your presence.

Thank you so very much.

Note: The President spoke at 1:16 p.m. in the East Room at the White House.

Prior to the luncheon, the President and the Prime Minister held a meeting in the Oval Office.

Appointment of Edward N. Gladish as a Member of the National Advisory Committee on Oceans and Atmosphere

March 17, 1982

The President today announced his intention to appoint Edward N. Gladish to be a member of the National Advisory Committee on Oceans and Atmosphere for a 3-year term. He would succeed Peter Emerson.

He is currently manager, Land Services, at Champlin Petroleum Co., in Long Beach, a subsidiary of Union Pacific Corp. He was executive officer of the California State Lands Commission in 1973–1974. He was on the State Advisory Board for the U.S. Bureau of Land Management in 1974. He also served as deputy director of the California Department of Commerce. In 1973 he served on the Outer Continental Shelf Scientific Advisory Board and as a State representative on the Interstate Oil Compact Commission.

Mr. Gladish graduated from the University of California (B.S., 1953) and Dartmouth College (Tuck Executive Program, 1979). He is married, has three children, and resides in Palos Verdes Estates, Calif. He was born March 29, 1930.

Statement on St. Patrick's Day

March 17, 1982

St. Patrick's Day reminds us of the power of joy. It is a day when spirits are lifted, when millions join together in friendship, when strangers greet each other with affection.

The spell cast on us by a small island 3,000 miles away began more than a century ago when Irish immigrants first came to this land—immigrants whose sweat and labor built our economy, whose hearts and minds shaped our literary and intellectual history, whose smiles and mirth gave us the gift of laughter, whose conscience and spirituality reminded us of the importance of religious faith in our lives.

Today all Americans—of Irish descent and honorary Irish descent—celebrate one of the happiest days of the year in our country, a day marked by peace, friendship, and harmony.

Yet today, our thoughts cannot be entirely joyful. We who owe so much to the "land across the Irish sea" cannot help but reflect on a tragic irony: Northern Ireland is troubled by conflict and violence. We in America who owe so much to our kinsmen of both Irish and British heritage, Protestant and Catholic alike, can never be indifferent to the problem of violence in Northern Ireland. That is why we seek to contribute in any way we can to a lasting, peaceful solution that will bring to an end years of conflict and violence.

The 12 months since last St. Patrick's Day have brought both hope and sorrow in Northern Ireland. There have been grounds for optimism for the future. The level of violence continued its generally downward trend. In this country, U.S. law enforcement authorities confiscated a large number of weapons intended for terrorist hands in Ireland. Perhaps most important, despite the sorrows of the past year, there are signs that the climate has improved for moderate political solutions.

We will continue to stand by our policy: to urge the parties in Northern Ireland to come together for a just solution and to condemn all acts of terrorism and violence. We believe a lasting solution can be found only through a process of reconciliation between the two traditions in Northern Ireland and between Britain and Ireland. We encourage and applaud such efforts. We particularly welcome the British and Irish Governments' widening of the framework of their cooperation to this end.

But as much as we wish for a just and peaceful settlement, we in the United States cannot chart a course for the people of Northern Ireland. If solutions are to endure, they must come from the people themselves.

We stand unalterably opposed to the forces of violence and discord in Northern Ireland which obstruct the process of reconciliation so necessary to peace. Those who advocate violence or engage in terrorism will have no welcome in the United States.

Last year, I called on all Americans to question closely any appeal for financial or other aid from groups involved in the Northern Ireland conflict to ensure that contributions do not end up in the hands of those who perpetuate violence, either directly or indirectly. Today, I renew that request. Continued violence, even by a misguided few, can only frustrate the desire for peace of the overwhelming majority of the entire community of Northern Ireland.

As we look to the future, we can be proud that the United States already is making an important contribution toward economic and social progress in Ireland. We are proud of our role in strengthening the Irish economy. There are over 300 American companies with manufacturing plants in Ireland. This investment by American industry shows a clear commitment to a future based on peace and well-being for the people who live in Ireland, North and South.

This administration will maintain the U.S. commitment to facilitate growth of additional job-creating investment, investment that will benefit all the people of Ireland. In the meantime, we encourage the American private sector to continue to assist in creating more job opportunities in Ireland.

In affirming these principles of our policy toward Northern Ireland, I wish to add my appreciation and support for the many true friends of Ireland in this country, in the Congress and among the public, who continue to speak out against violence and in support of peace and reconciliation. Their efforts are among the most important contributions to the cause of peace in Northern Ireland, and I join them in the prayer that our hopes will soon be realized. It is by assisting in commercial development, combating terrorism, and encouraging the process of peaceful reconciliation that we in America can do our part to bring peace to Northern Ireland.

Nomination of Gregory J. Newell To Be an Assistant Secretary of State

March 17, 1982

The President today announced his intention to nominate Gregory J. Newell to be an Assistant Secretary of State for International Organization Affairs. He would succeed Elliott Abrams.

Mr. Newell is currently Special Assistant to the President and Director of Scheduling. He was deputy administrative assistant to Governor Richard Thornburgh of Pennsylvania in 1979–1980. He served as a consultant to Senator Robert Dole of Kansas and also to the Republican National Committee in 1978–1979.

In 1977–1978 Mr. Newell served as an evaluation coordinator to the Foreign Service Institute Testing Center of the Language Training Mission of the Church of Jesus Christ of Latter-day Saints.

He was Staff Assistant to President Gerald Ford in 1975–1977. He served at the White House as an advance representative and assisted in arrangements for Presidential travel and scheduling.

In 1974–1975 Mr. Newell was a planning analyst with the Alexander Hamilton Life Insurance Corporation of America. He worked on selected political campaigns throughout the country in 1972–1974. He served as a full-time missionary for the Church of Jesus Christ of Latter-day Saints from 1968–1971, assigned to France, Belgium, and Luxembourg.

He attended Brigham Young University (Provo and Hawaii campuses). He is married, has two children, and resides in McLean, Va. He was born August 30, 1949.

Appointment of Three Commissioners of the United States Section of the International North Pacific Fisheries Commission

March 17, 1982

The President today announced his intention to appoint the following persons to be Commissioners of the United States Section of the International North Pacific Fisheries Commission:

Robert McVey, who would succeed Harry L. Rietze. He is currently Director, National Marine Fisheries Service, NOAA, Department of Commerce. He has been serving in this position since 1980. Prior to his appointment as Director, he served as Deputy Director in Alaska for 10 years. He is married, has two children, and resides in Juneau, Alaska. He was born February 2, 1932.

Elmer E. Rasmuson, who has been serving as chairman of the board, National Bank of Alaska, Commissioner, INPFC. He was mayor of the city of Anchorage in 1964–1967. He was president of the National Bank of Alaska in 1943–1966. He graduated from Harvard University (B.S., 1930; A.M., 1935). He is married, has three children, and resides in Anchorage. He was born February 15, 1909.

Robert M. Thornstenson, who is currently chairman of the board, Icicle Seafood, Inc., in Seattle, Wash. He was president, Petersburg Fisheries, Inc.; director, Alaska State Chamber of Commerce; member, State of Alaska Investment Committee; and adviser, National Bank of Alaska, in 1965–1980. He was vice president of production for Alaska Operation with Pacific American Fisheries in Bellingham, Wash., in 1958–1965. He graduated from the University of Washington (B.A., 1956). He is married, has three children, and resides in Seattle, Wash. He was born December 23, 1931.

Appointment of Becky Norton Dunlop as Special Assistant to the President and Director of the Office of Cabinet Affairs

March 17, 1982

The President today appointed Becky Norton Dunlop as Special Assistant to the President and Director of the Office of Cabinet Affairs. The office coordinates Cabinet-related activities, including Cabinet and Cabinet Council meetings. Mrs. Dunlop will report to Craig L. Fuller, Assistant to the President for Cabinet Affairs. She succeeds T. Kenneth Cribb, Jr., who has moved to the personal staff of Counsellor to the President Edwin Meese III.

Mrs. Dunlop is currently Deputy Director of the Office of Presidential Personnel and has served in that office for the previous year. Prior to joining the Reagan administration in 1981, Mrs. Dunlop was president of Century Communications, Inc., which she founded in 1977. She was associated with the American Conservative Union from 1973 to 1980, completing her service as assistant executive director and consultant to the board. She was also involved in the Reagan campaigns of 1976 and 1980.

A native of Columbus, Ohio, Mrs. Dunlop is a 1973 graduate of Miami University in Oxford, Ohio. She is married to George S. Dunlop and currently resides in Arlington, Va. She was born October 2, 1951.

Executive Order 12352—Federal Procurement Reforms

March 17, 1982

By the authority vested in me as President by the Constitution and laws of the United States of America, and in order to ensure effective and efficient spending of public funds through fundamental reforms in Government procurement, it is hereby ordered as follows:

Section 1. To make procurement more effective in support of mission accomplishment, the heads of executive agencies engaged in the procurement of products and services from the private sector shall:

(a) Establish programs to reduce administrative costs and other burdens which the procurement function imposes on the Federal Government and the private sector. Each program shall take into account the need to eliminate unnecessary agency procurement regulations, paperwork, reporting requirements, solicitation provisions, contract clauses, certifications, and other administrative procedures. Private sector views on needed changes should be solicited as appropriate;

(b) Strengthen the review of programs to balance individual program needs against mission priorities and available resources;

(c) Ensure timely satisfaction of mission needs at reasonable prices by establishing criteria to improve the effectiveness of procurement systems;

(d) Establish criteria for enhancing effective competition and limiting noncompetitive actions. These criteria shall seek to improve competition by such actions as eliminating unnecessary Government specifications and simplifying those that must be retained, expanding the purchase of available commercial goods and services, and, where practical, using functionally-oriented specifications or otherwise describing Government needs so as to permit greater latitude for private sector response;

(e) Establish programs to simplify small purchases and minimize paperwork burdens imposed on the private sector, particularly small businesses;

(f) Establish administrative procedures to ensure that contractors, especially small businesses, receive timely payment;

(g) Establish clear lines of contracting authority and accountability;

(h) Establish career management programs, covering the full range of personnel management functions, that will result in a highly qualified, well managed professional procurement work force; and

(i) Designate a Procurement Executive with agency-wide responsibility to oversee development of procurement systems, evaluate system performance in accordance with approved criteria, enhance career management of the procurement work force, and certify to the agency head that procurement systems meet approved criteria.

Sec. 2. The Secretary of Defense, the Administrator of General Services, and the Administrator for the National Aeronautics and Space Administration shall continue their joint efforts to consolidate their common procurement regulations into a single simplified Federal Acquisition Regulation (FAR) by the end of calendar year 1982.

Sec. 3. The Director of the Office of Personnel Management, in consultation with the heads of executive agencies, shall ensure that personnel policies and classification standards meet the needs of executive agencies for a professional procurement work force.

Sec. 4. The Director of the Office of Management and Budget, through the Office of Federal Procurement Policy as appropriate, shall work jointly with the heads of executive agencies to provide broad policy guidance and overall leadership necessary to achieve procurement reform, encompassing:

(a) Identifying desirable Government-wide procurement system criteria, such as minimum requirements for training and appointing contracting officers;

(b) Facilitating the resolution of conflicting views among those agencies having regulatory authority with respect to Government-wide procurement regulations;

(c) Assisting executive agencies in streamlining guidance for procurement processes;

(d) Assisting in the development of criteria for procurement career management programs;

(e) Facilitating interagency coordination of common procurement reform efforts;

(f) Identifying major inconsistencies in law and policies relating to procurement which impose unnecessary burdens on the private sector and Federal procurement officials; and, following coordination with executive agencies, submitting necessary legislative initiatives for the resolution of such inconsistencies; and

(g) Reviewing agency implementation of the provisions of this Executive Order and keeping me informed of progress and accomplishments.

RONALD REAGAN

The White House,
March 17, 1982.

[Filed with the Office of the Federal Register, 4:37 p.m., March 18, 1982]

Note: The text of the Executive order was released by the Office of the Press Secretary on March 18.

Remarks Announcing the Nominees for Chief of Staff of the Air Force and Chief of Naval Operations, and a Question-and-Answer Session With Reporters

March 18, 1982

The President. The other day, I made an announcement of the appointment of General John W. Vessey as Chairman of the Joint Chiefs of Staff. We have two more announcements to make this morning that I'm very proud and happy to announce. The first is that, as Chief of Naval Operations is Admiral James Watkins, and the Chief of the Air Force will be Captain Charles—or General—[*laughing*]—that was Freudian; I was a captain—[*laughter*]—General Charles Gabriel.

These men have great records of service to their country, and I'm more than proud and confident of what this is going to mean in the caliber of our Armed Services to have these gentlemen serving. And I shall certainly be seeking their advice at every opportunity.

Mr. Secretary?

I know what the photographers were wanting, General—you know, their motioning there. They don't like gaps. They want us to stand close together. [*Laughter*]

Soviet Announcement on Missile Deployment

Q. Mr. President, any new word on whether Mr. Brezhnev meant that he was going to put missiles in Cuba?

The President. No, as I said yesterday or the day before, we're studying all the implications in that. But as I also said then, we have an easy answer. If he really means he wants a lessening of the tension over nuclear weapons, well, all he has to do is join us in Geneva in the elimination of nuclear, intermediate-range weapons in all of Europe.

Defense Budget

Q. Has Secretary Weinberger come up with some efficiencies in the defense budget proposal—[*inaudible*]—that could be cut?

Secretary Weinberger. We'd like to think we have, yes. And we've reported those to the Congress.

Q. Is that going to result in significant savings in the defense budget?

The President. Well, there have been significant savings already—which the Secretary, in his quiet way, just made without grandstanding about them—or the budget would have had bigger figures right now that they would have had to ask for.

But in addition to that, we have appealed to the civilian sector, the business and industrial sector, for task forces who are going to be able to come in to all of our agencies and go all the way down into those things that it would be impossible for just one person in charge of an agency to see, and find out where there are areas that modern business practices might update and make more efficient government operations.

Poland

Q. Mr. President, is there anything we can do about Poland now to relieve the tension there or to secure [Solidarity president Lech] Walesa's release?

The President. We're constantly reviewing what we are doing, and talking with our allies in Europe on the various steps that we can take. I wouldn't be able to speculate now, but I don't like to discuss options anyway as to whether there are additional things that we can do. But we're going to do everything we can.

Q. Thank you.

Note: The President spoke at approximately 9:30 a.m. to reporters assembled in the Oval Office at the White House.

Nomination of Gen. Charles A. Gabriel To Be Chief of Staff of the Air Force

March 18, 1982

The President today announced his intention to nominate Gen. Charles A. Gabriel to be Chief of Staff of the United States Air Force. He would succeed Gen. Lew Allen, Jr., whose term expires June 30, 1982.

General Gabriel has been serving as Commander in Chief of the United States Air Forces in Europe and concurrently as Commander in Chief for Allied Air Forces Central Europe since July 1980. He was Deputy Chief of Staff for Operations, Plans and Readiness, Headquarters U.S. Air Force, from April 1979 to July 1980. He was Deputy Commander, U.S. Forces

Korea, and Deputy Commander in Chief, United Nations Command, in Seoul, South Korea, in 1977–1979. In 1975–1977 he was Deputy Chief of Staff for Operations, Tactical Air Command, Langley Air Force Base, Va. General Gabriel served as Deputy Director for Operational Forces and Deputy Director of Operations, Office of the Deputy Chief of Staff, Plans and Operations, Headquarters U.S. Air Force, in 1972–1975. He is a combat veteran of both Korea and Vietnam.

He graduated from the U.S. Military Academy, West Point, N.Y., in 1950. He is married and has two children. He was born January 21, 1928, in Lincolnton, N.C.

Nomination of Adm. James D. Watkins To Be Chief of Naval Operations

March 18, 1982

The President today announced his intention to nominate Adm. James D. Watkins to be Chief of Naval Operations, Department of the Navy. He would succeed Adm. Thomas B. Hayward, whose term expires June 30, 1982.

Admiral Watkins is presently serving as Commander in Chief of our Pacific Fleet. He was Vice Chief of Naval Operations, beginning in April 1979. In September 1978, he was ordered to duty as Commander, Sixth Fleet, also assuming NATO duties as Commander, Naval Striking and Support Forces Southern Europe. In April 1975, he was appointed Deputy Chief of Naval Operations for Manpower and Chief of Naval Personnel. In September 1973, he was ordered to duty as Commander, Cruiser-Destroyer Group 1, subsequently commanding Cruiser-Destroyer Force, U.S. Seventh Fleet, as well as a surface task group which deployed to the Indian Ocean in 1974.

He graduated from the United States Naval Academy in 1949. He is married and has six children. He was born March 7, 1927, in Alhambra, Calif.

Remarks at the Annual Washington Policy Meeting of the National Association of Manufacturers

March 18, 1982

Chairman Williams, I thank you very much, President Trowbridge, Vice President Rittgers, and the other officials of your organization, and even a couple of members of my own administration here:

You know, with regard to that melon, I have often said that in the business that I used to be in, if you didn't sing or dance, you wound up as an after-dinner speaker. And I've been on the mashed potato circuit for a great many years—luncheon speaker, after-dinner speaker, and so forth. And usually, you got to eat at the same time that you were doing that chore. But in this new job, I've found out, I'm not going to get that melon or anything else. They're running me out of here as soon as I finish talking. [*Laughter*]

But I'm especially delighted to be here today. It's not just that I've had the privilege many times during the past few decades of addressing the NAM audiences, I also have vivid recollections of the 1950's and 1960's, when you were one of the few business groups speaking out forcefully against America's disastrous drift towards bigger and bigger government. For many years, your Washington representatives led a lonely challenge against the policies of tax and tax and spend and spend, that were once the watchwords of Washington wisdom, passwords to success in the Nation's Capital.

We've come a long way together since those days. It's all changed now with the speed of a Bob Feller fastball or a Reggie Jackson homer. And I just dated myself by bringing up the name of my friend Bob Feller. [*Laughter*]

Today in Washington, the talk is of the danger of Federal spending, deficit financing, and bureaucratic intrusion. The nightly news, the newspapers, and the journals are filled with stories and articles about the price we've paid for our years of budget-busting extravagance.

And what extravagance it was. In the last 10 years, Federal spending tripled. In the last 5 years, tax revenues more than doubled. And today, the national debt stands at over a trillion dollars. We're now paying more than $100 billion in interest on that debt, and that's more than the whole Federal budget of just 20 years ago.

The statistics tell a grim story. Between 1976 and 1980, inflation more than doubled; the prime rate went up 220 percent. As we prepared to take office a little more than a year ago, the prime rate stood at an astounding 21½ percent. Investment, savings, and productivity were drying up, and it wasn't long before the recession—that freight train from the marshaling yards of liberal economics—hit us full force. Business confidence declined, and unemployment headed right for the roof.

Even those statistics don't tell the whole story—the human price we've paid: farmers facing foreclosures; businessmen staring at bankruptcy; ironworkers in Steubenville and autoworkers in Detroit and black teenagers in Newark standing in unemployment lines; manufacturers and entrepreneurs like yourselves, whose drive, initiative, and confidence has transformed America into an economic giant, now facing growing frustration and helplessness in the wake of a shrinking economy and a hostile business climate.

These have been hard and costly lessons, but perhaps at last we've learned what you have in the National Association of Manufacturers and what you were saying many years ago: That you can't drink yourself sober or spend yourself rich, that you can't prime the pump without pumping the prime, that you can't give government all the running room it asks for without stampeding the money supply and running up inflation and unemployment.

Our administration has been reminding the American people that the economic mess we inherited last year and the recession we're in now is the legacy of years of misguided policy. But we intend to do more than just point to the mistakes of the past.

You know, I sometimes find myself remembering a story they tell about that great baseball manager, Frankie Frisch. One day he sent a rookie out to play centerfield. The rookie dropped the first fly ball that was hit to him, let a grounder go between his feet, and when he did get his hands on the ball, threw it to the wrong base. Frankie stormed out of the dugout, grabbed his glove, and said, "I'll show you how to play this position." And the next batter slammed a drive right over second base. Frankie came in on it, missed it completely, and fell down when he tried to chase it. He threw down his glove and yelled at the rookie, "You've got centerfield so fouled up, nobody can play it." [*Laughter*]

Well, we inherited many mistakes by others, but we're not going to just bemoan the past. We think we've put together an imaginative, aggressive program for economic recovery. It's already cut the rate of growth in Federal spending nearly in half, cut taxes for individuals and business by over $300 billion. We have indexed taxes to the rate of inflation, taking away government's hidden incentive to inflate the currency, and cut the stifling increase in new Federal regulations by a third.

In spite of this, our proposals weren't even enacted into law before certain voices—the same voices that in the past had recommended the easy solutions of tax and tax and spend and spend—came up with more easy solutions. Rather than come to grips with the problems of excessive Federal spending, they urged us to once again make government bigger by increasing its revenue. There were suggestions that we rescind individual tax cuts or eliminate that truly historic reform of tax indexing.

Now, let me be the first to say some of those suggestions came from those who were perfectly sincere and troubled, as all of us are, by the projected size of the Federal deficit. But some of these suggestions also came from professional insiders, who have a vested interest in large bureaucracies and who think they're protecting a political constituency by keeping it helplessly and permanently dependent on government.

None of this really surprised us. We knew when we came here that Washington was a company town; its real business is government, big government. That, of course, is true of any capital city. And that's why we didn't think the cure for what ails us can come from those who think the way to solve our deficit problem is by eliminating tax incentives.

As I mentioned in my State of the Union Address, tax revenues more than doubled since 1976 and yet, in that same period, our country ran up the largest series of deficits in its history. Tax revenues increased by $54 billion in 1980 alone and in 1980 the deficit was $60 billion.

Secretary of the Treasury Don Regan put it very well the other day when he said that, "Raising taxes does not balance budgets; raising taxes makes spending easier. Tax increases simply give the Federal Government more to spend on Federal programs that create constituencies and then require even greater spending."

Well, I believe it was in a speech to your organization some years ago that I said, "Government doesn't tax to get the money it needs; government always finds a need for the money it gets."

Increasing taxes only encourages government to continue its irresponsible spending habits. We can lecture it about extravagance till we're blue in the face, or we can discipline it by cutting its allowance. Let me be honest with you, however, and tell you I have been a little disappointed lately with some in the business community who've forgotten that feeding more dollars to government is like feeding a stray pup. It just follows you home and sits on your doorstep asking for more. [*Laughter*]

Now, this nation has serious economic problems, but we're moving forward with a program we believe effectively addresses these problems. It has brought about revolutionary changes of enormous benefit to both individual Americans and to American businessmen.

What we need now is not last minute haggling or displays of blatant self interest. We need the support that only America's businessmen can give us. We need you to participate in our task forces on private sector initiatives and government cost cutting, but most of all, we need you to get on with the business of economic recovery, to look for imaginative ways to invest and grow and to provide jobs for the unemployed.

From the very beginning, you in the National Association of Manufacturers have supported this administration's program. And when the pressure was turned up a few months ago by those who demand quick fixes and fine tuning—I might add, those who got us into the recession in the first place and who now want to deprive working Americans of their tax cuts this July—you kept the faith. You spoke out in defense of our recovery program. You understood that we can only deal with the problems of deficits and unemployment by putting the brakes on extravagant government once and for all, by cutting taxes and putting more disposable income into the hands of the American worker, by ensuring real economic growth that creates jobs, stimulates investment, and gives every American a leg up on the economic ladder.

So, I've come here today with a simple but heartfelt message from all of us in the administration: Ladies and gentlemen, thank you. We're mighty grateful. And I would be remiss if I didn't extend a personal note of thanks to your chairman, Luke Williams, and your president, Sandy Trowbridge, for their service on our cost control and private sector task forces.

But while I do thank you today, I also want to ask you to continue your invaluable support. Will you take a message home with you, a message that doesn't always get to the American people by way of the media or government pronouncements?

You know, some people think there's a

storm brewing between me and the news industry. That simply isn't true. My feelings about the media haven't changed a bit. [*Laughter*] No. [*Applause*] No. No, I have always been and always will be in complete agreement with Thomas Jefferson on this subject. He said, "If it were left to me to decide whether we should have a government without newspapers or newspapers without a government, I should not hesitate a moment to prefer the latter." Of course, he also said, "Perhaps the editor might divide his paper into four chapters, heading the first 'truths'; second, 'probabilities'; third, 'possibilities'; fourth, 'lies'." [*Laughter*]

As I say, I always agree with Jefferson.

My real point is this. Presidents, even Thomas Jefferson, have their moods just like everyone else, including members of the press. Some of the things we say and do regarding each other may cause a little momentary frustration or misunderstanding, but that's all it is. So, I hope I didn't touch a nerve with any of the press a few days ago, because I think that most of the time the overwhelming majority of them are doing a fine job. And as a former reporter, columnist, and commentator myself, I know just how tough their job can be.

Now, back to our regularly scheduled program. [*Laughter*]

You know, it's possible for a sea change to take place in America and not be recognized in Washington until many months later. One Cabinet member in the former administration put it very well. The toughest job in Washington, he said, is being able to tell the difference between "the tides, the waves, and the ripples." Actually, that's been the problem with the perceptions of many experts, pundits, and insiders. They tend to concentrate so much on the ripples, they can't see the waves and the tides. Psychology is a very important factor of economics. A continued drumbeat of despair about the recession can prolong that recession.

Now, one example: A few of us here can recall a much grimmer month of March—no, not the one that saw Julius Caesar done in. It was 1943, the Allies were losing the battle of the Atlantic, the only event Churchill said that ever really frightened him during the war. In that terrible month, more than 500,000 tons of Allied shipping went down. Thousands of merchant seamen lost their lives. England was left with only a 2-month supply of food and materiel, and the experts in the British Admiralty seriously doubted that England's lifeline across the Atlantic could be kept open.

But then suddenly, only a month later, it all changed. Innovations in the convoy system, escort training, radio and radar use, long-range aircraft that had been accumulating for months were finally brought to bear. The "U" boat wolf-packs sustained enormous losses. Two months later, Hitler's admirals were conceding defeat in the Atlantic. And by June, Allied convoys crossed the ocean without the loss of a single ship.

Or think back to the economic situation in this country shortly after the war. In 1946 inflation and unemployment were climbing, our gross national product dropped by an alarming 15 percent. And once again, many of the experts only looked at the narrow data. They predicted a return of the Depression and advised the reinstitution of wartime economic controls.

Once again, the experts had underestimated the ingenuity and energy of the American people. By 1947 the gross national product held steady and then increased by 4 percent. Unemployment began a steady decline. And in 1949 consumer prices actually went down. America was on its way to an era of unequalled prosperity.

More recently, we heard all those predictions about the energy crisis—disaster was just over the horizon, gasoline was going to cost $2.00 a gallon, oil reserves would dry up, the Western economy would be held hostage by OPEC or strangled by the exorbitant cost of oil.

Well, today, the oil shortage is a glut. You can purchase gas at $1.10 a gallon in some places, and it's OPEC, not the West, that's feeling the financial pinch.

Now, maybe we've forgotten some things about ourselves, forgotten that on a quiet Sunday morning we were plunged into a war for which we were almost totally unprepared. But in the 44 months of that war, American industry produced 210,000 aircraft, 900,000 military trucks, about 400,000 cannons, more than 1,100 warships and thousands of merchant ships, 88,000 tanks, and 12 million rifles and carbines. We did what had to be done. We're in a different situation now, but just as grim, and I believe we can rally again.

Recently, we've seen some changes—ripples are becoming waves that will soon be tides—changes that augur well for the future, even if they haven't quite gotten all the attention they deserve.

Inflation is a problem that throughout history has brought many nations and empires to their knees. Only a year ago, it was the source of the gravest concern to everyone in Washington—number one problem to the people in the polls. It's finally coming down and coming down substantially. We ended 1981 with a Consumer Price Index of 8.9 percent for that year—3½ percent below that of 1980. That meant that on every dollar earned, 3½ cents less was eaten up by inflation. This meant something to the poor and the elderly, especially. A family on a fixed income of $8,500 had $255 more in purchasing power, now, because of the decline in inflation, than it otherwise would have had.

But the encouraging signs continue. Since the beginning of the fiscal year in October, inflation has averaged less than 5 percent. The rate for January stood at only 3.5 percent. And last month, for the first time in 6 years, the Producer Price Index actually declined.

There's also been a quiet, steady, but important improvement in the rate of growth of personal savings, a rate that had been declining at alarming margins before we came into office. In the first quarter of 1981, the growth in the savings rate stood at 4.6 percent; by the fourth quarter, that figure was up to 6.1 percent. I think as business men and women you know how important savings are to the investment and loan picture. It's a picture that must improve—and is improving—if we're going to have dramatic economic growth.

And there's one more, other important point about this growth in personal savings—its relationship to the size of the Federal deficit. The fear has often been voiced that the increase in the deficit will force government to crowd out other borrowers in the money markets and boost up interest rates. And so it has over the past years and decades.

But looking ahead, Federal borrowing in 1983 and 1984 will be several times less than the total private savings resulting from our tax cuts. We expect $260 billion more in private savings in 1984 than in 1981. So, you can see the private savings will far outweigh the projected increases in the deficit. Private borrowers aren't going to be crowded out; they're going to find more credit available precisely because of the tax cut program that we have already enacted.

Even more important, by one crucial standard we will actually be making progress in the battle against deficit spending in the years ahead. With normal projected growth in the next few years, the Federal deficit will account for only 1.7 percent of the gross national product. That'll be a considerable improvement. For example, the percent of the gross national product that was consumed by the deficit in 1976 was more than double that—4 percent.

What I'm saying is that the decline in inflation and the increase in personal savings are two early signs of recovery, signs that have strong implications for the future. And this is going to help us control our deficits and trigger the increase in business investment and credit markets that we all want to see.

I think there are other positive developments that are slowly taking place today in government and in the economy—developments that result from the sweeping but subtle changes we brought about in the last year. For example, the changes we've recently seen in industrial production and housing starts support our assertion that we're on the verge of a turning point in the economy.

Then there is the problem of government regulation. In the last year, we've cut the number of new pages in the *Federal Register*, where the regulations are published, by 23,000 pages—or, as George Bush likes to say, because he's in charge, "We're trying to get the *Register* down from the size of a copy of 'War and Peace' to that of an issue of the 'Atlantic Monthly.'" [*Laughter*] I've been trying to get him to say "National

Review." [*Laughter*]

I think that you as business men and women know what this regulatory cutback is eventually going to mean to you in savings from paperwork, litigation, and labor. One Ohio businessman wrote to us in this spirit and mentioned his personal frustrations with burdensome regulations. He cited an item from the Toledo area Small Business Association bulletin. Now, actually, when I saw it, I recognized that I had first seen it a number of years ago.

" . . . It is reported to us," the item said, "that the Lord's Prayer contains 57 words. Lincoln's Gettysburg Address has 266 words. The Ten Commandments are presented in just 297 words, and the Declaration of Independence has only 300 words." And then it goes on to say, " . . . an Agriculture Department order setting the price of cabbage has 26,911 words." [*Laughter*]

Well, I thought you'd like to know we've had our researchers working around the clock to find that cabbage regulation. [*Laughter*] Possibly, the story is more folklore than fact. But whichever, I think it's one case where a bit of folklore can convey a lot of wisdom.

William Freund has said that if the Ten Commandments had been published as government regulations and issued on stone, Moses would have come down from Mt. Sinai with a sprained back and without the tablets. [*Laughter*]

Or take the problem of waste and fraud in government—a problem that will save billions of dollars every year if we can get a handle on it.

Although the voters believe by overwhelming margins that this is one of the most serious problems in government, I noticed that whenever I talked about it in the last campaign, the eyes of many of my friends in the media would glaze over and they'd stop taking notes, maybe because I said it so often. But I've figured out a way to interest the press corps in the waste and fraud story. We're going to call a secret meeting in the Oval Office of our Inspectors General, tape-record the proceedings, stamp the transcripts "Top Secret," stuff them in a diplomatic pouch, and accidently leave them on Lou Grant's doorstep. [*Laughter*] A leaked secret will always be used.

One government agency, the General Services Administration, we talked about in the campaign had been racked by scandal. It had estimated losses of more than $160 million, just due to waste and fraud. GSA, now, is the agency that buys the Federal Government's supplies and acts as its landlord. Some were calling it the worst-run agency in the government. It actually had a history of dismissing or demoting whistleblowers who tried to expose the waste and the wrongdoing.

To the recent astonishment and praise of everyone from "NBC Magazine" to Paul Harvey, our new Administrator, Jerry Carmen, has actually promoted the whistleblowers and given them new responsibilities. He's reducing total personnel by 5,000 and GSA space allotments by 20 percent. He's cut delivery time from 41 days to less than 7 days, and supervised travel management audits that will produce an estimated savings of more than $60 million this year.

Jerry Carmen, a commonsense, independent businessman from New Hampshire—he says it hasn't been easy.

He told journalist Don Lambro about the warehouse with the leaky roof that he went to inspect one Saturday, early in his tenure at GSA. When he got back, he said, "I asked the people in charge, 'wasn't that a pretty poor warehouse?'" And they agreed it was. "Well then," he asked, "shouldn't it be closed?" And they all said, "Yes." And he asked, "Why don't we?" "Well," they said, "we're going to do a study first." The study was going to cost $500,000. Jerry said, "Do I have the power to close it?" And they said, "Yes." And he said, "Close it." [*Laughter*] And they did. [*Laughter*]

But our campaign against waste and fraud goes far beyond just one Federal agency. For the first time, we have the Inspectors General from all the Federal agencies working closely together in a council on integrity and efficiency.

One of the most innovative techniques developed by this group is a new computer matching program. We've already found more than $64 million in social security in this way and black lung disability payments that were highly questionable. They were going to people who were dead—some of them for as long as 7 years.

The cochairmen of this computer matching committee are a story in themselves. One of them is Dick Kusserow, a young FBI agent from Chicago brought here by Secretary Schweiker to be Inspector General at the Department of Health and Human Services. Dick had gained a reputation as one of the bureau's best experts on fraud against the government and organized crime cases. During his first 9 months in office here, he's come up with more than $230 million in estimated savings and prosecutions for fraud. Those prosecutions are already up over last year.

The other cochairman is Tom McBride, a dedicated prosecutor whose career moved him from the Manhattan District Attorney's office to the Kennedy Justice Department. His audits have found serious fraud and waste in CETA and other Labor Department programs. His recent drive against fraud and abuse in the Federal Employee Disability program brought more than 50 indictments in the last year alone. And, for the first time, really, Tom McBride is moving ahead with a program that will employ the rarely used powers of Federal statutes like the Rico Act to fight organized crime and infiltration into legitimate unions.

So there they are: a small businessman from New Hampshire, a young FBI agent from Chicago, a dedicated prosecutor who got his start in a Democratic administration. These are the kind of appointments that have broken the bureaucratic mold in Washington. But over the long run, these men and others like them are going to make a difference in the cost of government and the kind of government.

Now, this is part of the message that I hope you'll take away with you this afternoon: that after a little more than a year, this administration has made important changes in Washington that are going to bring about economic recovery, make government more efficient and responsive, and make it a servant of the people, not the other way around.

You know, for a long time my party has borne the unfair burden of being portrayed as the party of bookkeepers, bankers, and the bottom line. But I think Americans are beginning to see us maybe as the party of growth, expansion, and opportunity. But let it be understood: This administration wants to achieve economic growth by reducing government intrusions in order to expand human freedom, value individual excellence, and make the American dream a reality for all our citizens.

More than a decade ago, I told an NAM audience that the newest generation of Americans "will live longer, with fewer illnesses, learn more, see more of the world, and have more success in realizing their personal dreams and ambitions than any other people in any other period of history."

I was pleased the other day to read that one scholar at the Hudson Institute noted that mankind also had undergone enormous changes for the better in the past two centuries, changes that aren't always so readily noticed or written about. He said that "Up until 200 years ago, there were relatively few people in the world. All human societies were poor. Disease and early death dominated most people's lives. People were ignorant, and largely at the mercy of forces of nature. Now," he said, "we are somewhere near the middle of a process of economic development that will take 400 years. At the end of that progress, almost no one will live in a country as poor as the richest country of the past. There will be many more people, most living long, healthy lives, with immense knowledge and more to learn than anybody has time for, largely able to cope with the forces of nature and almost indifferent to distance."

Well, we do live today as that scholar suggested, in the middle of one of the most important and dramatic periods in human history—one in which America can serve as the catalyst for an era of unimagined human freedom and dignity. I think we're ready to assume that responsibility.

"America is a willingness of the heart," Scott Fitzgerald once said. Well, I don't think that willingness is lacking in our country today. I hope this is the message that you will take away with you today. I hope you will tell the folks back home that you found such a willingness here in Washington—that something exciting is going on in the Capital City—that there is hope here again. Tell them that, for ourselves and for our much-loved country.

Few generations in all of history have ever been called upon to preside as ours has over a great period of transition—a single generation that went virtually from the horse and buggy to landing a man on the Moon. And there are great and greater days ahead.

Thank you, and God bless you.

Note: The President spoke at approximately 12:45 p.m. at the Sheraton Washington Hotel.

Proclamation 4910—National Agriculture Day, 1982

March 18, 1982

By the President of the United States of America

A Proclamation

The production, distribution, and preservation of America's food and fiber supply is basic to this nation's economic, physical, and social well-being.

American agriculture has achieved a record of productivity unmatched by any other food and fiber system on earth. In 1820, a farmer in this country produced enough food to feed himself and three other persons. By 1940, that same farmer was feeding himself and eleven other people. Today a single American farmer is capable of satisfying the food requirements of seventy-seven individuals—a sevenfold increase in the course of forty years. This quantum leap in the productivity of our agricultural community makes it possible for the United States to respond to the demands of a burgeoning international population without imposing unnecessarily high food prices on American consumers.

The contributions of this nation's agricultural sector are not limited to its capacity to produce a plentiful supply of food. Once agricultural commodities leave the farmgate, they generate economic activity which creates job opportunities for 19 million nonfarm workers. The success of our farmers in marketing their production abroad has enabled this nation to sharply reduce its balance of trade deficit and to pay for its energy imports. Our farmers are the critical link in a food production chain that consistently yields the most wholesome and varied range of foodstuffs known to man. In addition, the farm community enhances our quality of life by helping preserve the family and the individual as meaningful components of modern American society.

To recognize agriculture's contribution to the nation and create a better understanding of each person's stake in a reliable food and fiber supply, the 97th Congress has by S.J. Res. 148 proclaimed March 18, 1982, as National Agriculture Day.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby call upon the people of the United States to observe Thursday, March 18, 1982, as National Agriculture Day with appropriate ceremonies and activities.

In Witness Whereof, I have hereunto set my hand this 18th day of March, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 4:38 p.m., March 18, 1982*]

Nomination of Manfred Eimer To Be an Assistant Director of the United States Arms Control and Disarmament Agency

March 18, 1982

The President today announced his intention to nominate Manfred Eimer to be an Assistant Director of the United States Arms Control and Disarmament Agency (Bureau of Verification and Intelligence). He would succeed George William Ashworth.

Since 1973 he has been with the U.S. Arms Control and Disarmament Agency in various positions: Executive Secretary, ACDA Verification Panel; Deputy to the Senior Military Advisor; Deputy Chief Scientist for Verification; Deputy Assistant Director, Bureau of Verification and Analysis; Chief, Verification Division. He was an Assistant Director of Defense Research and Engineering at the Department of Defense in 1970–1973. He was vice president of the Space General Corporation/Aerojet General Corporation in 1963–1970.

He graduated from California Institute of Technology (B.S., 1947; M.S., 1948; Ph. D., 1953). He is married, has three children, and resides in Potomac, Md. He was born August 11, 1925.

Nomination of Heather J. Gradison To Be a Member of the Interstate Commerce Commission

March 18, 1982

The President today announced his intention to nominate Heather J. Gradison to be a member of the Interstate Commerce Commission for the term of 7 years. She would succeed Robert C. Gresham.

Mrs. Gradison has been with the Southern Railway System in Washington, D.C. since 1974, now serving as a rate officer. She graduated from Radford College (B.A., 1975) and attended George Washington University (1976, 1978). She is married and resides in Washington, D.C. Mrs. Gradison was born September 6, 1952.

Message to the Congress Reporting Budget Deferrals and a Rescission

March 18, 1982

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report one proposal to rescind $215.2 million in budget authority previously provided by the Congress, five new deferrals totaling $58.9 million, and two revisions to existing deferrals increasing the amount deferred by $14.6 million.

The rescission proposal affects programs in the United States Postal Service. The deferrals affect programs in the Departments of Energy, Health and Human Services, the Interior, and the Treasury.

The details of each rescission proposal and deferral are contained in the attached reports.

RONALD REAGAN

The White House,
March 18, 1982.

Note: The attachments detailing the rescission and deferrals are printed in the Federal Register *of March 24, 1982.*

Letter to the Speaker of the House and the President of the Senate on the Generalized System of Preferences and Countries of the Caribbean Common Market

March 18, 1982

Dear Mr. Speaker: (Dear Mr. President:)

In accordance with section 502(a) of the Trade Act of 1974, as amended, I herewith notify the House of Representatives/Senate of my intention to issue an Executive order proclaiming that all member countries of the Caribbean Common Market (Antigua, and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts-Nevis St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago) shall be treated, respectively, as one country under section 502(a)(3) for purposes of the Generalized System of Preferences. I have determined that CARICOM and its member countries meet all the requirements of a beneficiary developing country set forth in section 502.

My decision was made after giving due consideration to the following factors as required by section 502(c):

(1) The request of CARICOM that it be designated as an association of countries which is contributing to comprehensive regional economic integration among its members through appropriate means, including *inter alia,* the reduction of duties;

(2) The level of economic development of the member countries of the association, including their per capita gross national product, the general living standards of their populations, the levels of health, nutrition, education and housing of their populations, and the degree of industrialization of the countries;

(3) The fact that I will urge other major developed countries to treat this association as one country under their generalized tariff preference schemes;

(4) The fact that this association provides the United States with equitable and reasonable access to its market.

In making the decision to designate this association, I have also considered Congressional interest in encouraging regional economic integration among the developing countries as as means of fostering the political and economic viability of these countries and fulfilling their development goals. (See House Report 96–317, p. 200; Senate Report 96–249, pp. 271–273.)

All member countries of CARICOM are currrently designated beneficiaries of the Generalized System of Preferences. Each member country was designated as a beneficiary developing country in Executive Order 11888 of November 24, 1975, effective January 1, 1976. As a result, all member countries of CARICOM may be treated as one country with respect to eligible articles for purposes of the Generalized System of Preferences, as provided for in section 503(b)(1)(B) as amended.

Sincerely,

RONALD REAGAN

Note: This is the text of identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and George Bush, President of the Senate.

Nomination of Lawrence Y. Goldberg To Be General Counsel of the Federal Labor Relations Authority

March 19, 1982

The President today announced his intention to nominate Lawrence Y. Goldberg to be General Counsel of the Federal Labor Relations Authority for a term of 5 years. He would succeed H. Stephan Gordon.

Mr. Goldberg is currently a consultant to the Department of Education, having recently completed assignment as Assistant Administrator, External Affairs, Community Services Administration. Prior to that, he was president of Lawrence Y. Goldberg Associates, Inc., in 1977–1980; Assistant Director of the Federal Preparedness Agency in 1974–1977; and vice president of Brandeis University in Waltham, Mass., in 1973–1974. In 1973 he served as special adviser to the Counsellor to the President for Community Development.

Mr. Goldberg graduated from Brown University (A.B., 1953) and Harvard Law School (J.D., 1956). He is married and has two children. He was born July 21, 1931.

Note: Mr. Goldberg's nomination, which was submitted to the Senate on March 25, was withdrawn by the President on June 22.

Appointment of Stephen Postupack as a Member of the Advisory Committee on Small and Minority Business Ownership

March 19, 1982

The President today announced his intention to appoint Stephen Postupack to be a member of the Advisory Committee on Small and Minority Business Ownership. He would succeed Bahk Sang.

Mr. Postupack currently owns and is associated with the following businesses in Tamaqua, Pa.: Northeastern Hydro-Seeding Co., Post Printing Co., Post Construction Co., Anthracite Forest Service, Anthracite Land and Development Co., Tree House Garden Center, and Hometown Garage.

He is married, has eight children, and resides in Tamaqua, Pa. He was born March 9, 1931.

Appointment of Del Green as a Member of the Advisory Committee on Small and Minority Business Ownership

March 19, 1982

The President today announced his intention to appoint Del Green to be a member of the Advisory Committee on Small and Minority Business Ownership. He would succeed Earl Gilbert Graves.

Since 1972 Mr. Green has been serving as president of Del Green Associates, Inc., a minority-owned management consultant firm. He was project director for the National Committee Against Discrimination in Housing, San Francisco Bay Area, in 1970–1972. He served as executive vice president for Roy Littlejohn Associates in 1971–1972. He was national director, Volt Technical Corporation OED/CAP Training and Technical Assistance Project in 1968–1971. In 1965–1968 he was director, Health Affairs, Economic Opportunity Council, in San

Francisco, Calif.

Mr. Green graduated from the University of Southern California (B.S., 1951). He is married, has three children, and resides in Foster City, Calif. He was born October 12, 1921.

Letter to the Speaker of the House and the President of the Senate Reporting on United States Participation in the Multinational Force and Observers

March 19, 1982

Dear Mr. Speaker: (Dear Mr. President:)

On December 29, 1981 I signed into law Public Law 97–132, a Joint Resolution authorizing the participation of the United States in the Multinational Force and Observers (MFO) which will assist in the implementation of the 1979 Treaty of Peace between Egypt and Israel. The U.S. military personnel and equipment which the United States will contribute to the MFO are now in the process of deployment to the Sinai. In accordance with my desire that the Congress be fully informed on this matter, and consistent with Section 4(a)(2) of the War Powers Resolution, I am hereby providing a report on the deployment and mission of these members of the U.S. Armed Forces.

As you know, the 1979 Treaty of Peace between Egypt and Israel terminated the existing state of war between those countries, provided for the complete withdrawal from the Sinai of Israeli armed forces and civilians within three years after the date of the Treaty's entry into force (that is, by April 25, 1982), and provided for the establishment of normal friendly relations. To assist in assuring compliance with the terms of Annex I to the Treaty, so as to enhance the mutual confidence of the parties in the security of the Sinai border area, the Treaty calls for the establishment of a peacekeeping force and observers to be deployed prior to the final Israeli withdrawal. Although the Treaty called on the parties to request the United Nations to provide the peacekeeping force and observers, it was also recognized during the negotiations that it might not be possible to reach agreement in the United Nations for this purpose. For this reason, President Carter assured Israel and Egypt in separate letters that "if the Security Council fails to establish and maintain the arrangements called for in the Treaty, the President will be prepared to take those steps necessary to ensure the establishment and maintenance of an acceptable alternative multinational force."

In fact, it proved impossible to secure U.N. action. As a result, Egypt and Israel, with the participation of the United States, entered into negotiations for the creation of an alternative multinational force and observers. These negotiations resulted in the signing on August 3, 1981 by Egypt and Israel of a Protocol for that purpose. The Protocol established the MFO and provided in effect that the MFO would have the same functions and responsibilities as those provided in the 1979 Treaty for the planned U.N. force. Included are: the operation of checkpoints, reconnaissance patrols, and observation posts; verification of the implementation of Annex I of the Peace Treaty; and ensuring freedom of navigation through the Strait of Tiran in accordance with Article V of the Peace Treaty. By means of an exchange of letters with Egypt and Israel dated August 3, 1981, the United States agreed, subject to Congressional authorization and appropriations, to contribute an infantry battalion, a logistics support unit and civilian observers to the MFO, as well as a specified portion of the annual costs of the MFO. The U.S. military personnel to be contributed comprise less than half of the anticipated total MFO military complement of approximately 2,500 personnel.

In Public Law 97–132, the Multinational Force and Observers Participation Resolution, Congress affirmed that it considered the establishment of the MFO to be an essential stage in the development of a comprehensive settlement in the Middle East. The President was authorized to assign, under such terms and conditions as he might determine, members of the United States Armed Forces to participate in the MFO, provided that these personnel perform only the functions and responsibilities specified in the 1979 Treaty and the 1981 Protocol, and that their number not exceed 1,200 at any one time.

In accordance with the 1981 Egypt-Israel Protocol, the MFO must be in place by 1300 hours on March 20, 1982, and will assume its functions at 1300 hours on April 25, 1982. Accordingly, the movement of U.S. personnel and equipment for deployment to the Sinai is currently under way. On February 26 five unarmed UH–1H helicopters (which will provide air transportation in the Sinai for MFO personnel), together with their crews and support personnel, arrived at Tel Aviv; on March 2 approximately 88 logistics personnel arrived at Tel Aviv; on March 17, the first infantry troops of the First Battalion, 505th Infantry, 82nd Airborne Division arrived in the Southern Sinai; and by March 18 a total of 808 infantry troops, together with their equipment will have arrived. These troops will be equipped with standard light infantry weapons, including M–16 automatic rifles, M–60 machine guns, M203 grenade launchers and Dragon anti-tank missiles.

The duration of this involvement of U.S. forces in the Sinai will depend, of course, on the strengthening of mutual confidence between Egypt and Israel. The U.S. contribution to the MFO is not limited to any specific period; however, each country which contributes military forces to the MFO retains a right of withdrawal upon adequate prior notification to the MFO Director-General. U.S. participation in future years will, of course, be subject to the Congressional authorization and appropriations process.

I want to emphasize that there is no intention or expectation that these members of the U.S. Armed Forces will become involved in hostilities. Egypt and Israel are at peace, and we expect them to remain at peace. No hostilities are occurring in the area and we have no expectation of hostilities. MFO forces will carry combat equipment appropriate for their peacekeeping missions, to meet the expectations of the parties as reflected in the 1981 Protocol and related documents, and as a prudent precaution for the safety of MFO personnel.

The deployment of U.S. forces to the Sinai for this purpose is being undertaken pursuant to Public Law 97–132 of December 29, 1981, and pursuant to the President's constitutional authority with respect to the conduct of foreign relations and as Commander-in-Chief of U.S. Armed Forces.

Sincerely,

RONALD REAGAN

Note: This is the text of identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and George Bush, President of the Senate.

The text of the letters was released by the Office of the Press Secretary on March 20.

Message to the Senate Returning Without Approval the Standby Petroleum Allocation Bill

March 20, 1982

To the Senate of the United States:

Although I appreciate the good faith efforts of the sponsors of this legislation, I am returning without my approval S. 1503, the "Standby Petroleum Allocation Act of 1982."

While I am sympathetic to the assertion that this bill responds to an understandable concern that our nation must prepare against the possible disruption of energy supplies, this legislation grew from an assumption, which has been demonstrated to be invalid, that giving the Federal Government the power to allocate and set prices will result in an equitable and orderly response to a supply interruption. We can all still recall that sincere efforts to allow bureaucratic allocation of fuel supplies actually harmed our citizens and economy, adding to inequity and turmoil. Further, the threat of such controls will discourage the very steps that are needed to provide real protection against such emergencies.

The Act would require the promulgation of standby petroleum allocation and price controls, including a specific program for the sharing of crude oil among refiners at controlled prices. Those controls could be imposed in the event of future petroleum supply shortages, subject to Congressional approval. The Act would also require the Federal Government to continue extensive and burdensome data collection even when the regulations were not in effect.

Today I have ample powers to take the steps necessary to protect national security, meet our treaty obligations and assure essential public health and safety functions. The supplies in the Strategic Petroleum Reserve and significant production in the National Petroleum Reserve also ensure that petroleum for truly essential needs will be available. What I do not have, do not want and do not need is general power to reimpose on all Americans another web of price controls and mandatory allocations.

We must recognize that an interruption of a significant portion of foreign energy supplies, whether because of armed strife, human choice or natural disaster, will involve real costs to the United States and the world. Proper preparation beforehand, and free trade among our citizens afterward, can mitigate these costs, but no magic federal plan can simply make them go away. Controls can only shift losses from one set of Americans to others, with vast dislocation and loss of efficiency along the way. This was very amply demonstrated during the supply interruptions of 1973–74 and 1978–79. Those interruptions precipitated much higher oil prices, but they did not cause gas lines and shortages. It took government to do that.

The bill could be counterproductive to our preparedness efforts. In the event of a supply interruption, the best protection will be stockpiling and plans for switching to less costly ways to achieve our goals. This bill would discourage self-protective measures, because it tells the public that those measures will be nullified by government allocations and controls or that such measures are unnecessary because the government will guarantee them low-priced energy in the event of any disruption.

The current world oil situation, with declining prices and ample supplies, provides the best opportunity for future preparedness. This is why the Administration continues to add to the Strategic Petroleum Reserve as fast as permanent storage becomes available. By the end of this year we will have nearly tripled the size of the Reserve in two years. All citizens who are concerned about the possibility of shortages and higher prices in the future should use the current opportunity to prepare in ways that are appropriate to their situation.

This legislation does contain one important feature, which should be adopted immediately as a separate Act. Since 1974 the United States has participated with other countries in the International Energy Agency, in an effort to improve our effectiveness in combatting international energy problems. A coordinated response to any international oil supply disruption through the IEA requires cooperation by private American oil companies in ways that are not possible absent statutory authorization. This authorization, contained in Section 252 of the Energy Policy and Conservation Act, has been extended routinely since its enactment in 1975. The most recent extension expires on April 1st of this year. This authority should again be extended, and H.R. 5789 and S. 1937 are now pending in Congress for this purpose.

RONALD REAGAN

The White House,
March 20, 1982.

Statement on the Observance of the Afghan New Year
March 20, 1982

The Afghan New Year, which begins today, dawns on a nation in turmoil. The traditional celebration on March 21, 1982, will be stifled by the stark reality of the suffering of a people under occupation or in exile from the intolerable conditions in their homeland. The year ahead appears to offer the prospect of a continuing bitter struggle and even wider devastation, rather than the blessings of peace and prosperity, which are the natural right of the Afghan people. Our heart goes out to the Afghan people in these terrible times.

We cannot accept the transparent Soviet rationale for their invasion of Afghanistan, namely, that they were invited in by the Afghan Government. How can the Soviets explain the mysterious death of the President who supposedly invited them in and his replacement by a Soviet nominee who had conveniently been living in Eastern Europe? Nor can we accept the Soviet claim that the cause of the conflict in Afghanistan is external interference on the part of powers other than the Soviet Union itself. There has, indeed, been external interference in Afghanistan. But that interference has been committed by the Soviet Union itself, which, utterly without provocation, invaded that free and nonaligned nation and imposed its will on an independent people.

Nevertheless, let me make clear that, to the extent that legitimate Soviet security interests may be engaged along the Soviet border with Afghanistan, we are confident that these interests can be adequately protected through negotiated understandings. Virtually the entire community of nations is already on record as supporting the concept of a return to the previous *status quo,* in which Afghanistan was a nonaligned nation threatening no one.

The war against Soviet aggression is a hard and lonely struggle. It is waged in remote mountain valleys far from the reach of international media. We want to penetrate that wall of silence with the powerful Voice of America. Therefore, I have decided the Voice will begin broadcasting as soon as possible in Pushtu, complementing the broadcasting we are already doing in Dari. The brave men and women most directly involved in the fighting need to know we are with them. We will now be communicating with them in the two major languages of Afghanistan.

On this solemn occasion, I would like to appeal directly to President Brezhnev to join with us and other like-minded nations in a genuine and intensive search for a peaceful resolution of the tragic conflict in Afghanistan. A sensible and creative proposal was put forward last year by the European Community for a two-stage international conference on Afghanistan. Obviously, the principal purpose of such a conference—or of any realistic negotiations—would be to engage the Soviet Union in a serious discussion of a settlement involving the prompt withdrawal of their occupation force from Afghanistan. For this reason, we and others were particularly disappointed that the Soviet Union rejected this proposal. Today I call on Mr. Brezhnev to reconsider that rejection.

The tragedy of Afghanistan must not be allowed to drag on endlessly. This conflict imperils the stability of the region. It has seriously poisoned the international environment. Afghanistan itself is being brutalized. The suffering of the Afghan people is immense. I earnestly hope that the Soviet Union will join with us in an urgent effort to bring a swift withdrawal of its forces to end this needless conflict.

Message to the Congress Reporting on United States International Activities in Science and Technology

March 22, 1982

To the Congress of the United States:

This report responds to the requirement, embodied in Title V of the Foreign Relations Authorization Act, Fiscal Year 1979 (Public Law 95–426), that I report annually on the United States Government's international activities in the field of science and technology. As a supplement to this report, the Department of State, in collaboration with interested departments and agencies, has prepared the attached study which contains a more detailed description and analysis of the Government's international nonmilitary scientific and technological activities.

Since this is my first report under the Statute, I would like to discuss the general approach of my Administration to our bilateral and multilateral activities in science and technology.

International Cooperation in Science and Technology to Serve National Needs

The United States remains the world's leader in science and technology. We invest more in research and development than any other country. Our total national investment in research and development (R & D) exceeds those of Japan, West Germany, and France combined. We employ more scientists and engineers than any other free world country, and they contribute almost 40% of the world's scientific literature. Over the past decade, American scientists have garnered 57 Nobel prizes compared to 28 from all other countries combined. The magnitude, quality, and diversity of our R & D resources will continue to make cooperation with the United States in science and technology at individual, institutional, and governmental levels highly attractive to other nations.

Yet, we also recognize that, while the United States retains international preeminence in many areas of science and technology, we are no longer in a position to dominate each and every field. Nor do we hold a monopoly on the world's supply of scientific talent. The industrialized democracies of Western Europe, Canada, and Japan have established strong national programs in science and technology. Several other countries, such as Mexico, Brazil, South Korea, the People's Republic of China, and Israel have built their own capabilities for carrying out scientific and technological activities in selected areas of special concern to them. Thus, just as the United States can profit from and be stimulated by vigorous international competition in science and technology, we can also profit through international cooperation, which extends and complements our own efforts and helps us achieve our national objectives.

International cooperation is not simply synonymous with Federally-sponsored cooperation. American scientists and engineers engage in a great many cooperative international ventures. Often, they work through the universities or the industrial firms which employ them, with the Federal Government acting, at most, as a catalyst. An important aspect of this Administration's science policy is to encourage such private sector cooperation. American universities have made tremendous contributions to the development of science abroad. International collaboration among industrial firms in areas such as transportation, industrial utilization of space, communications, and energy production can serve important national interests as well as the interests of the firms involved.

Almost every technical agency in the United States Government carries out programs with important international components. Many of the problems with which these agencies deal—such as health, environmental protection, and agricultural production—do not recognize international boundaries. They are world-wide in scope and impact. Governments everywhere invest precious resources in basic and applied research to tackle these problems. Our agencies constantly seek out and are sought out by the best foreign scientists and institutions for collaborative work in areas of common interest. In doing so we build stronger relationships with our partners abroad and help develop common approaches to common problems.

I will illustrate these points by briefly focusing on the National Aeronautics and Space Administration's (NASA) programs. Last year the spectacular voyages of the Space Shuttle Columbia were among our Nation's proudest achievements. But let us remember that many of our friends abroad made substantial contributions to the Shuttle program. Canada provided the remote manipulator system, the "Canadarm," first used on Columbia's second flight, at the cost of $100 million. In December our European Space Agency (ESA) partners presented the first Spacelab module to the United States. This billion dollar facility is scheduled to fly aboard the Shuttle in 1983. It will enable American and European scientists to carry out astronomical investigations of the sun and distant parts of the universe, and to perform the most ambitious experiments ever attempted in space's zero-gravity environment.

Thus, the scope and significance of international cooperation in space science are clear and visible. Since NASA's inception, this country's civilian space programs have been open to foreign participation. Almost all of NASA's programs have an international element, and many of them, like Shuttle, have a very large foreign component. The Federal Republic of Germany's contribution to the Galileo mission to Jupiter will total approximately $100 million, and ESA's contribution to development of the Space Telescope will total almost $130 million. Both we and our foreign partners clearly benefit from such collaboration on large-scale, high-cost programs. What each of us may find difficult to do alone, we can accomplish together.

The same is true in many other fields. It is especially true today when fiscal restraint in our agencies' programs is required if we are to restore our Nation's economic health. Since many other nations face similar economic difficulties, it is becoming increasingly important that we all reach beyond our borders to form partnerships in research enterprises. There are areas of science, such as high energy physics and fusion research, where the cost of the next generation of facilities will be so high that international collaboration among the western industrialized nations may become a necessity. We welcome opportunities to explore with other nations the sharing of the high costs of modern scientific facilities.

We must also work with our partners for less duplication of scientific facilities. Our scientists will travel abroad to make use of unique facilities there just as foreign scientists will come to the U.S. to work in our laboratories.

I have focused thus far on collaboration with the industrialized democracies of Western Europe, Canada, and Japan. It is to these countries that our government agencies most frequently turn for partners for the simple reason that their capabilities are generally closest to our own. But several other countries, such as Mexico, China, South Korea, Brazil, and Israel, have made impressive strides in developing their own capabilities in science and technology, and they have in selected areas become attractive partners for our government agencies.

In this past year, special emphasis has been placed on the development of our scientific and technological relations with Mexico and the People's Republic of China. Our programs with both of these countries are models of the positive contribution which mutually beneficial scientific cooperation can make to our overall relations with other countries. Both Mexico and China have recognized the importance of building their own scientific institutions. These countries deal with us as equals in areas such as arid lands management and earthquake prediction. I look for cooperation between the United States and these and other rapidly developing countries to expand as their capabilities grow.

The Soviet Union

There is one possible partner for scientific collaboration with whom I have not yet dealt: the Soviet Union. Potentially, American scientific collaboration with the Soviet Union could be highly beneficial to the entire world. It is easy to imagine the problems which might be solved by the cooperative efforts of the two largest scientific establishments in the world, and indeed, it was that vision which prompted President Nixon to launch the cooperative scientific and technological program with the Soviet Union a decade ago.

But that vision never materialized. Unfortunately, both our government agencies and the American scientific community were quickly faced with the stark realities of the Soviet system:

—Many of the best Soviet scientists and institutions are off-limits to foreigners; they work in the vast Soviet military sector, where the Soviet Union has chosen to expend a disproportionate and growing share of its national resources.

—Free exchange of ideas in non-sensitive areas, the norm in the West, is impeded because Soviet scientists face imprisonment for disclosure of unpublished research results.

—Similarly, Soviet scientists are not allowed to travel freely to scientific conferences abroad, and many of the Soviet Union's national scientific conferences are closed to Westerners.

—Jewish scientists, even when they can obtain an education in the Soviet Union, face limited careers.

—The Soviet government has chosen to imprison, exile, or deny work to some of its most distinguished scientists for the "crimes" of thinking independently or wishing to emigrate. Others are sent to psychiatric hospitals in a flagrant misuse of science in service to the Soviet state.

As a result of all this, many American scientists began independently and personally to boycott the bilateral exchanges with the Soviet Union, and the potential for scientific cooperation with the Soviet Union was diminished even before the Soviet invasion of Afghanistan. That event led to an official curtailment of the level of cooperative activity under the eleven bilateral technical agreements to a small fraction of the pre-invasion level. Following the Soviet involvement in the tragic repression in Poland, I announced on December 29, 1981, that three of our bilateral scientific and technical agreements which come up for renewal in the next six months would not be renewed. Furthermore, I requested a complete review of all other exchanges with the Soviet Union. That review is currently under way. Future cooperation with the Soviet Union depends on the steps they take to comply with recognized norms of peaceful intercourse among nations.

Science and Technology for Development

I have dealt so far with those international scientific and technological activities which we undertake as a means of extending our own resources for solving the problems we share with others. We also recognize that science and technology should play a central role in our assistance to developing nations.

Last October I brought to the Cancun summit a program for action inspired by an old proverb: "Give a hungry man a fish and he'll be hungry tomorrow; teach him how to fish, and he'll never be hungry again." I stressed at Cancun the need for the developing countries to strengthen their own productive capacities and the vital role of the private sector—industry, universities and volunteer organizations—in international development.

This Administration intends to emphasize the role of science and technology in our bilateral development assistance programs, particularly in the areas of food and energy. Increasing food production in developing countries is critically important. We have always made food and agriculture an important emphasis of our aid programs. In addition to direct food aid we have underwritten successful agricultural research abroad, welcomed thousands of foreign students to our finest institutions, and helped make available throughout the world discoveries of the high-yielding seed varieties of the Green Revolution.

At Cancun I proposed that task forces be sent to developing countries to assist them in finding new agricultural techniques and transmitting to farmers techniques now in existence. It is expected that such task forces, whose expertise has been tailored to address the specific areas identified by the host governments, will visit several countries in 1982. Peru has already been selected as the first country to receive a task force.

The United States will also emphasize energy-related development activities in the years ahead. Our energy bilateral aid program will stress technical assistance rather than resource transfers. We will support intensified energy training programs for technicians from developing countries, and efforts to help developing countries more efficiently utilize their resources.

It is clear that America's greatest resources for assisting developing countries lie in our private sector. Our contributions to development through trade dwarf our direct assistance contributions. The United States absorbs about one-half of all manufactured goods exported by the non-OPEC developing countries to the industrialized world. Our companies have been at the forefront in establishing manufacturing capabilities in the developing countries. Thus, we will work with developing countries to improve the climate for private investment and for the transfer of technology that comes with such investment.

We are also looking to build a stronger, long-term relationship between our universities and the developing countries. The Agency for International Development (AID) is experimenting with several new mechanisms for assuring greater continuity in the involvement of American universities and their scientific talent in development assistance programs. Additionally, more than 150,000 foreign students are enrolled at present in science, mathematics, and engineering programs in American universities. When these foreign students return to their native lands they maintain ties with American institutions, and this becomes a continuing channel for the development of the indigenous scientific and technological capacities of the developing countries.

Funding and Personnel

My fiscal year 1983 budget has been sent to the Congress. In it I have requested funds adequate to meet our priority research and development and foreign policy needs.

The Department of State plays a central role in ensuring that international scientific activities are consistent with our foreign policy objectives. Over the past year, the Department of State has continued its efforts to upgrade the scientific and technical skills of its officers.

To carry out the commitment to greater emphasis on science and technology in our development assistance program, AID has, over the past year, reorganized and strengthened its science and technology capabilities, and placed a high priority on the effective use of these in planning and implementing its programs. AID established a new Bureau for Science and Technology charged with providing leadership in this area. A new Science Advisor to the Administrator of AID was appointed and a competitive research grants program was started by his office.

The Future

I believe that the health of the American science and technology enterprise is essential to meeting our principal objectives: sustained economic recovery, enhanced national security, and improved quality of life for our people. The same is true for our friends abroad. International scientific and technical cooperation can help both us and our friends to reach our respective national goals. We intend to continue our participation in international research and development programs on the basis of mutual benefit and mutual interest, and to identify the most fruitful areas for cooperation. And through trade, investment and development assistance we will share the harvest of our scientific enterprise with our friends in need.

RONALD REAGAN

The White House,
March 22, 1982.

Statement by Assistant to the President for Communications David R. Gergen on the Energy Situation
March 22, 1982

This past weekend, the Ministers of OPEC met in special session to decide how to cope with changing conditions in international oil markets.

One of the most important places where rapid changes are occurring, of course, is right here in the United States. During most of the 1970's, oil production here in the United States was falling steadily while domestic energy prices were rising, and our reliance upon foreign energy sources was increasing at a dangerous clip.

During the early 1980's, there have been striking changes—drilling for oil here in the United States has increased, prices for consumers have dropped somewhat, and the reliance upon OPEC has also diminished. Many point to the onset of recession as the primary cause of these changing conditions in the United States. Clearly, the deterioration of our domestic economy has played some role. It is clear, however, that deeper and more significant forces are at work in the energy field—forces that should continue at work after the economy begins its recovery. Oil use has declined far faster in the last few months than the recent recession alone would have indicated.

In this special briefing today on changes in the U.S. oil picture, we hope to demonstrate three basic points:

First, that the forces of a free marketplace are now having a positive impact upon America's energy outlook. The substantial increases we are now seeing in the search for domestic oil and in the achievement of greater energy efficiency both illustrate the power of market incentives.

Second, it is clear that among the most immediate beneficiaries of these changes have been American consumers. Over the past 12 months, the price of gas at the pump has fallen by some 15 cents a gallon on average, and the price of home heating oil is also falling.

Third, it is clear that the changes taking place are also strengthening America's security posture. We now have enough oil in our strategic petroleum reserve to replace all direct Arab OPEC imports for 140 days. Moreover, our degree of dependence upon foreign oil is declining: In recent weeks, oil imports have accounted for less than 30 percent of our consumption—the lowest level since 1971. At long last, we are weakening the OPEC hammerlock.

Now let me sound a cautionary note. Just because we have improved our situation does not mean we have solved it. The oil crisis of the past is obviously not over. As Secretary Jim Edwards has said, "We have to realize that the difference between a glut—a word we really shouldn't use—and a shortage is a matter of only a few million barrels of oil a day. We're not as secure as some people think." He points out that we still rely upon the Middle East for 41 percent of our oil imports. Here at home, the cost of energy will probably continue to rise because the cost of finding it will rise. Whatever happens in the short-term on oil, we must also continue the transition to an era of fission, fusion, coal, and renewable resources.

In short, we still have a long journey ahead. But it is also clear that we're finally making progress and, of greater importance, that we have at last found the right road.

Note: Mr. Gergen made the statement to reporters assembled in the Briefing Room at the White House for a briefing by Danny J. Boggs, Associate Director of the Office of Policy Development and Executive Director of the Cabinet Council on Natural Resources, Henry Nau, Director for International Economic Affairs, National Security Council, and Hunter Chiles, Director of Policy, Department of Energy.

Remarks on United States Agricultural Policy to Representatives of Agricultural Publications and Organizations

March 22, 1982

Jack,[1] thank you very much. And thank all of you very much, and welcome to the White House. It isn't really, technically that—I know there's a street in between—but this is part of that same shop over there, too. We're delighted to have you for these briefings, and I've been looking forward to meeting you personally.

Now I can say I've met the one group that hears as many complaints as I do. I think it was Thomas Jefferson who said that farmers are God's chosen people, but nowadays they must be asking, chosen for what? I've always thought that when we Americans get up in the morning and see bacon and eggs and toast and milk on the table, we should give thanks that American farmers are survivors. They're the real miracle workers of the modern world. They're keepers of an incredible system based on faith, freedom, and hard work that feeds us and sustains millions of the world's hungry as well.

I'm told that in 1820 a farmworker produced enough food products for himself and 3 other people. By 1920 he produced enough for 8 people, and now the number that he feeds has risen to 77. Agriculture has also become one of our biggest employers—the mealticket for millions of workers from farm suppliers, bankers, hired hands, all the way through the system to supermarket clerks.

In 1981 the $28 billion agricultural trade surplus offset almost half of our petroleum deficit. In fact, our agricultural exports account for about 40 percent of the world's total agricultural trade and one-fifth of America's merchandise export earnings. This bounty from our nation's farms has been a little too easy for us to take for granted. We've never really had nationwide food shortages. Our share of income spent for food is among the lowest of any nation, and our farmers keep on increasing their productivity.

I believe that our administration is lucky to have an Illinois farmer named Jack Block, who never lets me or any member of our Cabinet forget our farmers. Through your group, I'd like to thank the farmers of America for so strongly supporting our economic recovery program. You know, our plan is a little like farming: You prepare the ground, you plant the seeds, you tend the field and weed it, and then you hope the harvest will bring a bumper crop—in this case, for the American economy.

As a part-time rancher myself, I share an appreciation for this system—a chance to own your own land, to work it by the sweat of your brow, and take risks for profits. So often we forget the risks they are taking. A drought or a terrible storm is usually little more than a temporary inconvenience for city dwellers. For farmers it can mean a whole year's work and investment wiped out.

Maybe some of you know this story, but I remember when Ezra Taft Benson was Secretary of Agriculture under Eisenhower. He was making a tour of a farm area, and in one he was assailed by one particular farmer who just wouldn't stop complaining. He had all sorts of things that were wrong, and the Secretary kind of turned to an aide and looked at some papers and then turned back to him, and he said, "Well, now wait a minute. You didn't have it so bad last year. You got 29 inches of rain this last year." And the farmer says, "I know. I remember the night it happened." [*Laughter*]

But right now many of our farmers must be wondering if the sky hasn't fallen. I know this is an extremely difficult period for them. The U.S. agriculture is in the third straight year—the third year of an economic recession. A vicious cost-price squeeze, high interest rates, and uncertain markets have combined to erode many farmers' confidence and hopes for prosperity.

I have to personalize and tell you, that cost-price squeeze, I learned a little bit about that one day. I bought a tractor secondhand many, many years ago, in 1953, for $1,200. And then—it now and then needs a little help along the way, but it's still there and working. But I was tempted, and so up came a fellow who said he'd make a good deal, and he did. He offered me $4,000 trade-in on that tractor—and this was just recently—and all I'd have had to do is give him $13,000 more, and I would have had a new tractor. [*Laughter*] I know about the cost-price squeeze.

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[1] *Secretary of Agriculture John R. Block.*

But the tragedy of what is going on right now is that much of this misery didn't have to happen. I believe the first bodyblow to agriculture fell in January 1980, when contracts for the sale of our farm products to the Soviet Union were blocked in retaliation for its invasion of Afghanistan. The impact was immediate and severe. Farm prices declined, and our entire agricultural marketing system—elevators, barge lines, railways, millers, exporters—was disrupted.

According to both private and government estimates, billions of dollars in output and services were lost. Thousands of jobs were lost. And taxpayers immediately had to shell out more than $2 billion to help soften the blow. Other countries didn't hesitate to increase their production and displace U.S. sales. No one knows for sure what the ultimate impact of that ill-advised embargo will be, because such actions affect trade patterns for years.

Now, it's also worth noting that the Soviets are still in Afghanistan suppressing an innocent people, who yearn to be free. And while the Soviets experienced some economic problems, that predicted cutback in their meat production never materialized as a result of our action. By increasing grain imports from other sources, by seeking out meat imports from other countries, and by expanding the use of substitute feeds, the Soviets were able to maintain their meat inventories.

Now, don't get me wrong. There may come a day when our national security is threatened and the issue of an embargo is raised again. In that case, I would not hesitate to declare such an embargo——

Thank you. I never usually do that. But I don't know what's in there right now.[2]

——but only if it were part of a complete boycott and if we could have the cooperation of other nations so that we wouldn't end up hurting ourselves, with no harm done to those we were trying to influence.

[*Drinking the water*] I should have waited for a laugh line to do that. [*Laughter*] I don't know whether I got any more in here though. [*Laughter*]

The bottom line is the Soviet embargo was bad for our farmers, bad for our economy, but not that bad for the aggressors we were supposedly going to punish.

On top of the Soviet embargo, farmers were hard hit by the policies of the late seventies that led to sharing [soaring] inflation and interest rates. Inflation went from 4.8 percent in 1976 to 12.4 percent in 1980. And during that period, interest rates shot all the way up from 6.5 percent to 21.5 percent. The farmer, like any other small businessman lives or dies on his ability to sustain an adequate cash flow. And when that cash flow is reduced to a trickle by high inflation and interest rates, the farmer sometimes has no option but to shut down his operation. And to all this, the recent bumper crops, we understand why the cost-price squeeze is so bad and threatens to strangle the vitality of American agriculture.

Prices received by farmers have gone up 5 percent since 1979. Prices paid by farmers have gone up by 25 percent—or 20 percent, I should say—4 times as much in this period.

One other problem I didn't mention is that excellent weather overseas has created a large, worldwide surplus. The one exception, of course, is the Soviet Union. You know, I can hardly remember a year when Soviet harvests were not victimized by bad weather. And I've seen a lot of harvest seasons, as I'm constantly being reminded.

And I'm determined to do everything that I can to help our farmers get out of their terrible bind. I've listened, asked questions, and probed for answers. I think we know what needs to be done to get agriculture back on track. And one of the first things is to make the Federal Government get its own house in order so we can reduce its claim on our national resources and end its interference with the marketplace. That's what our economic recovery program is all about. And let me say again how grateful we've been to receive the strong support of the farm community.

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[2] *The President was experiencing difficulty speaking, and Secretary Block gave him a glass of water.*

In our first 12 months, we've cut nearly in half the growth in Federal spending. The inflation rate has dropped to 8.9 percent, and since October 1st, it's running about 4.1 percent. Last year's drop in inflation means that an American family of four earning the median income of $24,000 had $754 more in purchasing power than if inflation had not come down.

Prime interest rates were 21.5 percent, as I said, at the end of 1980. We've got them down by 5 percentage points. They're still much too high, but if everyone stiffens their spine and does what still needs to be done on spending, we'll bring those interest rates down more.

The growth in regulations has been cut by a third. My goodness, I can remember that nest of regulations—some years ago, a fellow running an oil station on the chosen route in the East here down to Florida and right around the Mason-Dixon line. And he had a little patch of—triangle of ground between the—where the driveways and the sidewalk and the street met. So, he planted a few cotton bushes in there, and then when he'd see a license plate coming in from up north, he'd give them a cotton boll off one of those bushes as a souvenir of their crossing the Mason-Dixon line. He was hailed in by the government, because he was planting cotton without an allotment. [*Laughter*]

Personal and business taxes have been reduced to stimulate savings, investment, work effort, and productivity. The provisions for accelerated depreciation will benefit many small enterprises in agriculture. The 25-percent personal rate reduction helps the small firms that pay their taxes by personal rates, not corporate rates. And this is another reason why that personal tax cut must be protected.

One of the features of our tax program that I'm most proud of addresses a special problem for farmers and family-owned businesses. It's not right that widows and children must lose just to pay Uncle Sam what generations of love and toil created. So, the estate tax exemption will increase to $600,000 by 1987, and of even greater help, there will be no estate tax for a surviving spouse, the widow or widower.

We know that the Federal Government also has an important role to play as partner to the farm community. I think the gist of that role is to help the farmer do what he can't do on his own—promote basic research, seek out new markets, counter any unfair trade practices of our trading partners, provide a measure of protection from erratic weather and natural disasters, and create the proper environment so the forces of supply and demand can more efficiently allocate resources. We're fully committed to do this.

We have increased the fiscal year '83 budget for agricultural research by nearly 3 percent above the inflation rate. We've expanded the Federal crop insurance program. We proposed a $4 million increase in the Department of Agriculture's market development program and recommended that the level of agricultural export credit guarantees be maintained at the highest level in history—$2.5 billion. We ended the previous administration's Soviet embargo and withstood pressures to impose agricultural trade sanctions during the Polish crisis.

We have also set out a blueprint to challenge unfair agricultural trade practices by Japan and the European Economic Community. We're challenging in the GATT the European Community's open-ended use of export subsidies on certain agricultural products where we feel they've gained an inequitable share of world trade as a result of those subsidies.

We're pressing the Japanese to remove nontariff trade barriers that prevent us from fully benefiting from our comparative advantage in agricultural production. A U.S.-Japan working party will meet in Washington the week of April 12th to discuss the GATT consistency of Japan's agricultural quotas with a view toward liberalizing those restrictions.

In the past 8 years, our stop-and-go export actions have weakened our reputation as a reputable supplier. If we're to take full advantage of our agricultural resources, we must establish a clear policy for the benefit of our farmers, those who market our crops, and those who buy our commodities at home and abroad. And for this reason, I am presenting today our long-term policy on farm exports.

The agriculture export policy of the United States will ensure three essential priorities. First, no restrictions will be imposed on the exportation of farm products because of rising domestic prices. Farm prices go up, and farm prices go down. High prices signal market-oriented farmers to produce more, and they will if we allow them to compete freely in export markets. This is best for everyone from farmer to consumer.

Second, farm exports—as I've already indicated—will not be used as an instrument of foreign policy except in extreme situations and as part of a broader embargo. Agricultural commodities are fungible; that is, they're easily interchanged for the same commodity from other nations. For this reason the embargo of 1980 was almost totally ineffective, and yet it caused great economic hardship to U.S. agriculture. And we won't repeat such an action.

Third, world markets must be freed of trade barriers and unfair trade practices. We must continue to pursue this objective aggressively. World economic health will be improved and strengthened by freer agricultural trade. Our great agricultural system must be turned loose to benefit not only Americans but people throughout the entire world.

Now, I announce this policy with a great sense of pride—the pride in the accomplishments of U.S. farm families. Adherence to this policy will bring them deserved credits and add to the prosperity of all Americans and enhance the cause of peace throughout the world.

During the first year of our administration, I think we've turned an historic corner. We're ending the destructive inflation and financial disorders of the seventies. We're restoring incentives for personal enterprise. And we've begun to dismantle the regulatory straitjacket and reverse the dangerous erosion of our military strength.

Our recovery program was passed too late to avert the present painful slump brought about by past pump-priming and those 21½-percent interest rates. There's no quick fix for the economy or for our farmers. Weather will still be a major factor in determining when prices make a recovery. Some farmers will not make it through this difficult period of readjustment. But I think the vast majority will. And they're going to discover a better environment to conduct their business and realize a meaningful profit.

I am not going to turn my back on the farmers of America and undo all the good that we've begun to put in place. If we stay on course and shun retreat, we'll bring prosperity back to our farmers and to the nation's economy.

Now, I again thank you very much for coming today, and I understand that I'm getting run out of here now for another meeting. But Jack Block is going to stay with you. You might have some questions that you'd like to ask, and Jack will take care of that while I move on.

Again, thank you for being here.

Note: The President spoke at 3:18 p.m. in Room 450 of the Old Executive Office Building.

Statement on Signing a Bill Concerning Human Rights in the Soviet Union

March 22, 1982

I have signed House Joint Resolution 373, expressing the sense of the Congress that the Government of the Soviet Union should cease its abuses of the basic human rights of its citizens, in particular the right to freely practice one's religion and the right to emigrate to another country. The resolution draws special attention to the hardships and discrimination now being imposed upon the Jewish community in the U.S.S.R.

I wholeheartedly join with the Congress in renewing our call to the Soviet Government to cease its repressive actions against those who seek the freedom to emigrate or to practice their religious or cultural traditions. These freedoms are a fundamental part of our American heritage, and their denial is a matter of the deepest concern to our government and citizenry. We urge the Soviet Union to take positive steps to ensure that its policies and practices conform with its international obligations to respect the individual rights of its citizens.

Note: As enacted, H.J. Res. 373 is Public Law 97–157, approved March 22.

Proclamation 4911—Pan American Day and Pan American Week, 1982

March 22, 1982

By the President of the United States of America

A Proclamation

This fifty-first observance of Pan American Day invites us to celebrate the common heritage that inspires and guides our unique regional approach to problem solving through the Organization of American States.

The OAS has fostered hemispheric friendship and well-being through its peacekeeping efforts, peaceful settlement of disputes, protection of individual rights and human dignity, promotion of industry and trade, and sponsorship of meaningful cultural exchanges. Its humanitarian concerns are evident in the programs of such specialized agencies as the Inter-American Children's Institute, the Pan American Health Organization, and the Inter-American Institute for Cooperation in Agriculture.

Through programs such as these and through the Inter-American Development Bank, which it helped to found in 1961, the OAS has greatly enhanced the economic development of its members.

Peace, prosperity, and freedom throughout the Americas continue to be the most deep-seated desires of the nations and peoples of this hemisphere. The OAS has symbolized these desires through a permanent system of regional inter-American cooperation. It has provided a forum where members meet freely in friendship, cooperation, and mutual respect to address common problems and differences.

During this special week, the people of the United States extend cordial greetings to their brothers and sisters throughout the hemisphere. We reaffirm our commitment to the spirit of solidarity and to the ideals and goals of the inter-American system. And we express our strong support for the Organization of American States as a strong vehicle for translating that commitment into reality.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim Wednesday, April 14, 1982, as Pan American Day and the week beginning April 11, 1982, as Pan American Week; and I urge the Governors of the fifty states, the Governor of the Commonwealth of Puerto Rico, and officials of the other areas under the flag of the United States of America to honor these observances with appropriate activities and ceremonies.

In Witness Whereof, I have hereunto set my hand this 22nd day of March, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 11:29 a.m., March 23, 1982]

Note: The text of the proclamation was released by the Office of the Press Secretary on March 23.

Remarks on Signing a Message to the Congress Transmitting Proposed Enterprise Zone Legislation

March 23, 1982

In my January 26th State of the Union address, I indicated that a new effort would be made to revitalize decaying areas that had been left out of America's economic mainstream. These areas, whose citizens have often lost hope for a better tomorrow, have failed to respond to decades of massive Federal aid programs. Clearly a new approach is needed to bring hope and opportunity to these troubled areas. And today we propose an experimental program that'll test just such an approach.

Enterprise zones offer a bold new means of invigorating economically crippled communities and improving the life of some of our most disadvantaged citizens. Rather than bureaucratic controls and regulations, a method that has failed, we seek to focus the vigor and innovation of the marketplace on these enclaves of despair. By reducing taxes, by eliminating unnecessary regulations while protecting the health, safety, and civil rights of our citizens, by improving local services, and by involving neighborhood organizations, we will begin to improve areas formerly written off as hopelessly depressed and provide jobs for those who need them the most.

In keeping with our firm belief in the principles of federalism and our confidence in the ability and integrity of government at the grassroots level, the legislation I am proposing today maximizes the options of the State and local governments. Working with these other levels of government as partners and unleashing new economic incentives for the private sector, I'm confident that we can make enterprise zones a valuable tool for spurring economic and social revival where they're most needed.

The people who live in these oppressively poor areas have been offered too many broken promises in the past. We promise no miracles, but we do believe change for the better is possible. The legislation we propose is designed to determine if the enterprise zone concept will indeed work.

Clearly, decades of spending programs have done little more than subsidize the status quo and make wards of the government out of citizens who would rather have a job than a handout. It's time for us to find out if two of the most dynamic and constructive forces known to man—free enterprise and the profit motive—can be brought to play where government bureaucracy and social programs have failed.

Obviously, concern for America's most economically deprived communities crosses party lines. We've received a broad range of bipartisan support for the enterprise zone concept. And I would especially like to thank these distinguished Senators and Representatives who are standing with me here today for their special contributions and leadership of the enterprise zone proposal.

Now, without further ado, I'll sign this message to the Congress detailing the proposal.

Note: The President spoke at 11:03 a.m. at the ceremony attended by reporters in the Rose Garden at the White House.

Message to the Congress Transmitting Proposed Enterprise Zone Legislation

March 23, 1982

To the Congress of the United States:

I am transmitting to the Congress today legislation entitled, "The Enterprise Zone Tax Act of 1982." This legislation authorizes the establishment of an Enterprise Zone program, which is an experimental, free market-oriented program for dealing with the severe problems of our Nation's economically-depressed areas.

In my January 26 State of the Union message, I indicated that we would propose legislation for a new effort to revive the decaying areas of America's inner cities and rural towns. We have now completed work on this new effort and it is embodied in the proposed "Enterprise Zone Tax Act." Therefore, I am requesting today that the bill be referred to the appropriate committees and I urge its early enactment.

The Concept of Enterprise Zones

The Enterprise Zone concept is based on utilizing the market to solve urban problems, relying primarily on private sector institutions. The idea is to create a productive, free market environment in economically-depressed areas by reducing taxes, regulations and other government burdens on economic activity. The removal of these burdens will create and expand economic opportunity within the zone areas, allowing private sector firms and entrepreneurs to create jobs—particularly for disadvantaged workers—and expand economic activity.

Enterprise Zones are based on an entirely fresh approach for promoting economic growth in the inner cities. The old approach relied on heavy government subsidies and central planning. A prime example was the Model Cities Program of the 1960's, which concentrated government programs, subsidies and regulations in specific, depressed urban areas. The Enterprise Zone approach would remove government barriers freeing individuals to create, produce and earn their own wages and profits. In its basic thrust, Enterprise Zones are the direct opposite of the Model Cities Program of the 1960's.

Enterprise Zones will not require appropriations at the Federal level, except for necessary administrative expenses. States and cities will still have the option of allocating discretionary Federal funds for their Enterprise Zones if they desire, or to appropriate additional funds of their own for such zones.

Enterprise Zones must be more than just a Federal initiative. State and local contributions to these zones will be critically important in the selection of the zones, and probably determine whether individual zones succeed or fail. In the spirit of our new policy of Federalism, State and local governments will have broad flexibility to develop the contributions to their zones most suitable to local conditions and preferences.

The Elements of Enterprise Zones

The Enterprise Zone program includes four basic elements:

First, tax reduction at the Federal, State and local levels to lessen this obvious burden on economic activity.

Second, regulatory relief at the Federal, State and local levels to reduce burdens which can be equally costly.

Third, new efforts to improve local services, including experimentation with private alternatives to provide those services. Eliminating inefficiencies of monopolized government services and increasing reliance on the private sector are key parts of the overall Enterprise Zone theme. Experience has shown that these efforts can save taxpayers substantial sums while significantly improving services at the same time.

Finally, involvement in the program by neighborhood organizations. These organizations can contribute much to the improvement of Enterprise Zone neighborhoods. They can also help to ensure that local residents participate in the economic success of the zones.

By combining all these elements we will create the right environment to help revive our Nation's economically-depressed areas.

The Structure of the Enterprise Zone Program

Title I of the Act describes the program structure and how the zones will be established.

The initial designation and establishment of each zone will depend on local leadership and initiative. To obtain the Federal incentives for Enterprise Zones, State and local governments must first nominate the zones within the eligible areas as defined by the Federal legislation.

These areas will include all areas in UDAG-eligible jurisdictions which have recently experienced significant unemployment, poverty or population loss. Based on these criteria, there will be more than 2,000 cities, rural areas and Indian reservations with Enterprise Zone eligible areas.

The Secretary of HUD will be authorized to designate up to 25 zones in each of three years for the application of the Federal incentives. The actual numbers designated will depend on the number and quality of the applications.

The Enterprise Zone program is, thus, a potential source of economic assistance to distressed areas of all types, shapes and sizes, all across the country. Rural areas as well as large urban areas will be eligible to become Enterprise Zones.

After State and local nomination, these governments will apply to the Secretary of HUD for Federal designation to allow the Federal incentives to apply to their zones.

Federal designation of nominated zones will not be automatic or routine. Rather, the Secretary will evaluate the various applications on a competitive basis, choosing the best applications for the limited number of Federal designations available each year. A key criterion in this competitive process will be the nature and strength of the State and local incentives to be contributed to the zones, consistent with the overall Enterprise Zone theme of creating an open market environment by removing government burdens. Other important factors will also be considered.

In evaluating State and local contribution packages, the Federal Government will be highly flexible. For example, the Secretary of HUD will not insist upon any particular item of tax or regulatory relief. A weakness of incentives in one area, such as tax relief, could be offset by greater strength in another area, such as regulatory relief. It should be remembered, however, that the incentive packages will be competitively evaluated against each other.

Each Enterprise Zone will last for the period chosen by the nominating State and local governments. The Federal incentives will apply to an approved zone for this entire period, up to a maximum of 20 years plus a 4-year, phase-out period.

The Federal Incentives of the Enterprise Zone Program

—The Federal Tax Incentives of the Enterprise Zone Program

Title II of the Act describes the Federal tax incentives to apply within Enterprise Zones, which include:

- a 3- or 5-percent investment tax credit for capital investments in personal property in an Enterprise Zone;
- a 10-percent tax credit for the construction or rehabilitation of commercial, industrial or rental housing structures within a zone;
- a 10-percent tax credit to employers for payroll paid to qualified zone employees in excess of payroll paid to such employees in the year prior to zone designation, with a maximum credit of $1,500 per worker;
- a special, strengthened tax credit to employers for wages paid to qualified zone employees who were disadvantaged individuals when hired, with the credit equal to 50 percent of wages in each of the first 3 years of employment, and declining by 10 percentage

points in each year after that;

- a 5-percent tax credit, up to $450 per worker to qualified zone employees for wages earned in zone employment;
- the elimination of capital gains taxes for qualified property within Enterprise Zones;
- the designation of suitable Enterprise Zone areas as Foreign Trade Zones, providing relief from tariffs and import duties for goods subsequently exported to other countries;
- the continued availability of Industrial Development Bonds to small business in Enterprise Zones, even if the availability of such bonds is terminated elsewhere; and,
- the extension of the operating loss carry-over period for Enterprise Zone businesses, and permission for Enterprise Zone tax credits to be carried over for this period as well.

The Federal tax reductions applying to Enterprise Zones will be substantial. They will include reductions for employers, employees, entrepreneurs and investors. They will include incentives for capital investment, for hiring workers, particularly disadvantaged workers, for increasing work effort, and for starting and building up new businesses. They will include reductions in corporate income taxes, individual income taxes and capital gains taxes.

The Treasury Department estimates that with this tax package the designation of 10 to 25 zones in the first year of the program will result in $124–$310 million in lost Federal tax revenues for that year. The cost of the program will increase in future years as additional zones are designated and as zone activity increases.

—Federal Regulatory Relief

Title III of the Act describes the Federal regulatory relief to apply within Enterprise Zones. Under these provisions, State and local governments will be authorized to request relief for their approved zones from any Federal regulation, unless it would directly violate a requirement imposed by statute. Federal regulatory bodies will be authorized to weigh these requests under Congressionally-mandated standards, and to relax these regulations when it is in the public interest to do so, given the goals of the Enterprise Zone program.

This special authority would expressly not apply, however, to any regulations to carry out a statute or Executive Order designed to protect any person against discrimination because of race, color, religion, sex, martial status, national origin, age or handicap. It would also expressly not cover any regulation whose relaxation would likely present a significant risk to the public safety, including environmental pollution. The minimum wage law would not be covered by this authority because it is specifically imposed and spelled out by statute.

It should be emphasized that there will be no authority for any Federal regulatory relief within an Enterprise Zone without a request for such relief from both the State and local governments governing the zone.

The Role of State and Local Governments

While these Federal incentives are substantial, strong State and local contributions to the zones will be necessary for the program to succeed.

These contributions can be from each of the four basic categories noted earlier: tax relief; regulatory relief; improved local services; and neighborhood organizations. More traditional urban efforts, such as job training, minority business assistance or infrastructure grants, can also be contributed to the zone.

Consistent with the Administration's policy of Federalism, the Federal Government will not dictate to State and local governments what they must contribute to the zones. The program is designed for creative and innovative experiments by State and local governments within the zone areas. The program retains the flexibility for these governments to tailor their contributions to suit local needs and preferences.

The State and local contributions to the zones need not be costly. Regulatory relief, service improvements through privatization, and private sector involvement all entail no budgetary cost.

Even the cost of State and local tax relief should be modest because of the weak economic activity currently existing in potential Enterprise Zone areas. If the program is successful in stimulating new economic activity, these losses will be substantially offset by increased revenues from the new activity, State and local expenditures would be reduced as individuals who formerly received government aid are employed in the zone.

The legislation we advance today is based on the pathbreaking work of many Members from both sides of the aisle who offered Enterprise Zone bills in prior sessions of Congress. We commend these efforts and anticipate that these innovative individuals will work for early, bipartisan passage of this legislation.

More than government expenditures and subsidies, residents of economically-depressed areas need opportunities. This is the focus of the Enterprise Zone program. The program will identify and remove government barriers to entrepreneurs who can create jobs and economic growth. It will spark the latent talents and abilities already in existence in our Nation's most depressed areas. This bold, new concept deserves to be given a chance to work. As I said in my State of the Union Address, some will say our mission is to save free enterprise, but, I say that with your help, we must free enterprise so that together we can save America.

RONALD REAGAN

The White House,
March 23, 1982.

Nomination of John Hughes To Be an Associate Director of the International Communication Agency

March 23, 1982

The President today announced his intention to nominate John Hughes to be an Associate Director of the International Communication Agency for Broadcasting. In this capacity he will serve as Director of the Voice of America. He would succeed James B. Conkling, who has resigned.

Since July 1981 Mr. Hughes has been serving as an Associate Director of the International Communication Agency for Programs. He was president, publisher, and editor of Hughes Newspapers, Inc., Orleans, Mass., in 1979–1981. He founded the company in 1977. He was director and consultant, News-Journal, Wilmington, Del., in 1975–1978; radio correspondent for the Far East for Westinghouse Broadcasting Co. in 1964–1970; weekly television commentator, WBZ–TV, Boston, Mass., in 1962–1964. In 1954–1979 Mr. Hughes held a wide variety of positions with the Christian Science Monitor. He was Africa correspondent in 1955–1961; assistant overseas news editor in 1962–1964; Far East correspondent in 1964–1970; managing editor in 1970; editor in 1970–1976; and editor and manager in 1976–1979. In 1952–1954 he was South African correspondent for the Daily Express in London. Mr. Hughes was a reporter with the London Daily Mirror in 1950–1951.

Mr. Hughes attended Stationers' Company School in London, England, in 1941–1946. He was a Nieman fellow, Harvard University, in 1961–1962. Mr. Hughes was a recipient of the Pulitzer Prize for international reporting in 1967. He was director and president of the American Society of Newspaper Editors in 1972–1980.

Mr. Hughes is married, has two children, and resides in Orleans, Mass. He was born April 28, 1930, in Neath, south Wales.

Nomination of 13 Members of the National Council on the Handicapped, and Designation of Chairman
March 23, 1982

The President today announced his intention to nominate the following individuals to be members of the National Council on the Handicapped, Department of Education. He also announced his intention to designate Joseph Dusenbury to be Chairman.

Joseph Dusenbury would succeed Mary P. Chambers. He has been with the South Carolina Vocational Department since 1960 and is now a commissioner. He resides in Columbia, S.C., and was born September 27, 1924.

Robert V. Bush would succeed Elizabeth M. Boggs. He is past president of the American Orthotic/Prosthetic Association. He resides in Albuquerque, N. Mex., and was born August 9, 1920.

H. Latham Breunig would succeed J. David Webb. He was with Eli Lilly and Co. for over 40 years. He is past president of Alexander Graham Bell Association for the Deaf. He resides in Arlington, Va., and was born November 19, 1910.

Justin W. Dart, Jr., would succeed Edwin O. Opheim. From 1966 to 1981, he was involved in an independent living program involving teaching, guidance, and career planning for more than 45 disadvantaged and disabled persons. He resides in Austin, Tex., and was born September 29, 1930.

John S. Erthein would succeed Nelba R. Chavez. He is president of Erthein and Associates in Washington, D.C. He was born March 9, 1944.

Hunt Hamill would succeed Jack G. Duncan. He is president and director of the Rehabilitation Institute of Chicago and a director of McGaw Medical Center at Northwestern University. He resides in Winnetka, Ill., and was born July 15, 1917.

Marian N. Koonce would succeed Odessa Komer. She is an owner and manager of Willowbrook Ranch. She resides in Santa Barbara, Calif., and was born September 11, 1924.

Nanette Fabray MacDougall (reappointment) is an actress. She currently serves on the boards of the National Captioning Institute and the Better Hearing Institute in Washington, D.C. She is past chairman of the National Advisory Committee for Education of the Deaf. She resides in Pacific Palisades, Calif., and was born October 27, 1920.

Michael Marge would succeed Howard A. Rusk. He is currently a professor of communicative disorders and child and family studies at Syracuse University. He resides in Fayetteville, N.Y., and was born October 26, 1928.

Sandra Swift Parrino would succeed Judith E. Heumann. She is currently director for the Office of the Disabled in Ossining, N.Y. She resides in Briarcliff Manor, N.Y., and was born June 22, 1934.

Roxanne S. Vierra would succeed John P. Hourihan. She is currently a broker associate for the Devonshire Co. in Denver, Colo. She founded an organization designed to establish business ventures owned and operated by the mentally retarded. She resides in Littleton, Colo., and was born May 29, 1930.

Henry Viscardi, Jr., would succeed Thomas Joe. He is president emeritus of the Human Resources Center in Albertson, Long Island, N.Y. He has written several books on disabled persons. He resides in Kings Point, Long Island, N.Y., and was born May 10, 1912.

Alvis Kent Waldrep, Jr., would succeed Donald E. Galvin. He is founder and chief executive officer of the Kent Waldrep International Spinal Cord Research Foundation, Inc. He resides in Grand Prairie, Tex., and was born March 2, 1954.

Appointment of T. Kenneth Cribb, Jr., as Assistant Counsellor to the President
March 23, 1982

The President today announced his intention to appoint T. Kenneth Cribb, Jr., to be Assistant Counsellor to the President. This appointment carries with it the commissioned rank of Deputy Assistant to the President. In his new position, Mr. Cribb will work directly with Counsellor to the President Edwin Meese III.

From the beginning of the Reagan administration to the present, Mr. Cribb has served as Assistant Director, Office of Cabinet Affairs, and Staff Assistant to the President. His duties have included managing issues through the Cabinet and Cabinet Council systems and providing a point of contact between the White House and offices of the Cabinet members.

During the transition, Mr. Cribb took a leave of absence from the firm of Dewey, Ballantine, Bushby, Palmer and Wood to serve as deputy director of the legal and administrative agencies group, office of executive branch management.

He was national director of the Intercollegiate Studies Institute in 1971–1977. He has also served as a consultant to the Heritage Foundation.

Mr. Cribb graduated from Washington and Lee University (B.A., 1970) and the University of Virginia School of Law (J.D., 1980). He is 33 years old and resides in Arlington, Va.

Remarks in New York City on Receiving the Charles Evans Hughes Gold Medal of the National Conference of Christians and Jews

March 23, 1982

Mr. Chairman, reverend clergy, Mr. Mayor, the board members and officers of NCCJ, and distinguished guests here at the head table:

Henry,[1] I thank you very much for such an eloquent presentation of this cherished award. It is a deep personal honor to be the fourth President and the thirtieth American to receive the Charles Evans Hughes Gold Medal of the National Conference of Christians and Jews.

I notice from the program so far that Presidents outnumber Secretaries of State by 2 to 1 on the honor roll. [*Laughter*] You received the medal in 1973, and Al Haig was similarly honored in 1980. And by the way, Al asked me to pass along a short message: He said that he wanted you to know that yours has been a big hat to fill. Now, I know what he meant by that, and I assure you, it's a compliment. [*Laughter*]

But I also want to thank you for coming all the way from California to pinch hit for Walter Cronkite here tonight. I know from personal experience what it's like to tear oneself away from retirement on the west coast. [*Laughter*] One of these days we must get together at the ranch. What's your preference—flat saddle or Western? [*Laughter*]

The purpose of the Hughes Medal is to provide recognition for "Courageous Leadership in Governmental, Civic, and Human Affairs," as you've been told tonight. So, I can tell you that one can only accept it with a heartfelt sense of humility; and I do so in that spirit. One thing is certain: For more than half a century now, the Conference itself has lived up to that ideal, striving with courage, dedication, and humanity to promote the ideals of brotherhood and tolerance that our nation was founded upon.

Last month, we all joined together to commemorate this spirit in observing Brotherhood Week. But for Brotherhood Week to take on its fullest meaning, it must live the year-round in the heart of every citizen. This has always been the American ideal. And if it is one we've not always lived up to, the fact that generation after generation, century after century, Americans have sacrificed to bring the ideal closer to reality says something good about that national spirit.

Hatred, envy, and bigotry are as old as the human race itself, as too many tragic passages in the history of the world bear witness. What is new and daring and encouraging about the American experiment is that from the beginning, men and women strove mightily to undo these evils and to overcome the prejudice and injustice of the old world in the virgin soil of the new.

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[1] *Dr. Henry A. Kissinger, former Secretary of State.*

Roger Williams struggled for freedom of conscience in New England more than a century before the Declaration of Independence. He likened a free society to a ship in which Catholics and Protestants, Jews and Moslems all sailed together, subject to the same tides, winds, dangers, and responsibilities, but each free to worship God in his own way. For as the Bible teaches, "Have we not all one Father? Hath not one God created us?"

George Washington, our first President, in a letter to the Jewish congregation of Newport, committed our newborn nation to a road that "gives to bigotry no sanction, to persecution no assistance."

The way has never been easy, and even our best efforts have left us far short of utopia. But generation by generation, year by year, we've come a long way down the road to a just society. It took a bloody, tragic civil war to end the abomination of slavery. Thousands had to lay down their lives before that great evil could be undone. But it was undone, and the descendants of slave owners and slaves alike today enjoy the same standing under law as free citizens of a free republic.

The battle against discrimination still goes on, and much remains to be done. But in a single generation, an entire nation recommitted itself to the cause of equal rights and used the full force of the law to ban once and for all racial bias in public education, in hiring, and in the voting booth.

Nowhere does history offer a parallel to this vast undertaking. With all its flaws, America remains a unique achievement for human dignity on a scale unequaled anywhere in the world.

I recall tonight another important chapter in the advance of brotherhood that took place during my lifetime. It began earlier in this century, in 1928. This conference was born out of it. Maybe I shouldn't admit it, but I was already a teenager at the time; that was the year of my high school graduation.

We've come so far since then. It's hard to remember the wave of hatred and bigotry that swept the country when, for the first time, a Catholic won the Presidential nomination of one of our great national parties. But I remember, and we all should remember the gallant fight that Al Smith waged against prejudice. Even in defeat, he struck a blow for tolerance and shamed the forces of bigotry. It took another 32 years before a Catholic would be nominated again, but in 1960 John Kennedy proved that the American people had overcome the last vestiges of anti-Catholicism. It took time—too much time—but at last the spirit of brotherhood prevailed.

Year by year, in spite of all the setbacks, America has been a place where an ever-growing variety of races and creeds has learned to live together. I remember being told a few years ago the story of a nationality day parade in one of our major cities. The mayor of the city happened to be Jewish, his parents had come from Eastern Europe where for centuries, Christian had persecuted Jew in a seemingly hopeless cycle of hatred and injustice. But on that day, in that American city, "His Honor" was leading the parade. And reaching the end of the march, he turned to one of the parade marshals and said, "Just think, in the old country your grandfather might have been chasing my grandfather down the street with a gun." He says, "Here, we're leading the same parade together. Ain't America grand!"

And you know, it really is. We in America have been blessed with a sacred opportunity and a sacred quest. At times it may only seem like the imperfect reflection of a perfect dream, but to all whose ancestors came here as immigrants—whether they were non-conformist Protestants fleeing persecution in the 17th century, Irish-Catholics fleeing famine and injustice in the 19th century, Jews fleeing pogroms at the turn of the century, or the Asian boat people and Soviet dissidents of today—all came to seek a higher goal than just mere physical survival. There was, and is, an element of moral principle in our national fiber that makes a difference. Americans are brothers not because we share the same past and the same ancestry, but because we share the same ideals and the same hopes for the future.

In his history of the Plymouth Colony, William Bradford wrote that he and his fellow settlers "knew they were pilgrims. . . so they committed themselves to the will of God and resolved to proceed." Well that's been the way with each succeeding generation—pilgrims all. And as long as we stand true to our ideals, it'll be the way with every American generation to come: that we commit ourselves to the will of God and resolve to proceed.

Last week, I addressed the Alabama State Legislature in Montgomery. Only two blocks from where I spoke, a courageous American named Martin Luther King organized a struggle for racial equality that led to historic changes in our society. He walked in the footsteps of other martyred Americans of other races and other ages. He, too, was an American pilgrim. The sacrifice that Martin Luther King made brings tears of sorrow, but the good he did brings tears of gratitude and a message of hope.

Martin Luther King warned, "Injustice anywhere is a threat to justice everywhere," and his message helped to guide us to a freer and more just society.

The struggle goes on. To be alive and to be human *is* to struggle for what is right and against what is not. Our nation today is engaged in a serious and, at times, even acrimonious debate over what policies will best serve the interests of America and a troubled world.

Here at home, there are wide differences over how best to tackle the twin problems of recession and inflation. The debate continues over how best to divide the responsibilities between the Federal Government and State governments, and between the public and private sectors, in our constitutional duty to promote the general welfare.

You know, back in the New Deal days, many critics of Franklin Roosevelt accused him of trying to destroy the free enterprise system. Well, F. D. R.'s answer was simple: He wasn't out to destroy our political and economic freedom; he was out to save it at a time of severe stress that had already caused democracy to crumble and fascism and totalitarianism to rear their ugly heads in so many other countries. In America, freedom was saved, and it gave us the strength to rescue a strife-torn Western world in the 1940's and 1950's.

Well, today I'm accused by some of trying to destroy government's commitment to compassion and to the needy. Does this bother me? Yes. Like F. D. R., may I say I'm not trying to destroy what is best in our system of humane, free government; I'm doing everything I can to save it, to slow down the destructive rate of growth in taxes and spending, to prune nonessential programs so that enough resources will be left to meet the requirements of the truly needy.

For 1983, we've proposed that 28 percent of all Federal spending go to the elderly, an average of $7,854—or $7,850, I should say—per individual, in payments and services.

The Federal Government subsidizes approximately 95 million meals per day. That's 14 percent of all the meals served in the United States.

Almost 7 million post-secondary awards or loans will be available to students or their parents through Federal student assistance programs.

Through increased funding for Medicaid and Medicare, the Federal Government will provide medical care for some 47 million aged, disabled, and needy Americans—about 20 percent of our total population and 99 percent of those over 65.

And approximately $2.8 billion will be spent on training and employment programs providing skills for almost 1 million low-income, disadvantaged people—99 percent of whom will be below the age of 25 or recipients of Aid to Families with Dependent Children.

The list goes on and on, but I won't drown you with statistics. I simply want to point out that we do care and the facts prove it. Government does have a responsibility to do many of these things because our citizens—you, the most generous people on Earth—have so ordered.

But there's more to brotherhood than government-inspired and administered charity. In recent years, too many of us have tended to forget that government can't properly substitute for the helping hand of neighbor to neighbor. And in trying to do so, government has, to a great extent, brought on the economic distress that mires us down in recession.

Out of this economic distress, however, can come opportunity—the opportunity to remember our heritage of brotherhood, our responsibility to care for each other not through impersonal government programs alone but through the giving of ourselves with love and compassion.

For this reason, I have asked William Verity, head of Armco, to head up a nationwide effort to recall to all of us our capacity for great and unselfish deeds. You in this organization are proof that that spirit still lives in America.

I saw it firsthand, further proof of that spirit, just last week in flood-stricken Fort Wayne, Indiana. There on a muddy dike, which was just barely inches above the flood crest, hundreds of young people—some hardly in their teens—all lined up, passing heavy sandbags to raise the level of the dike. They were volunteers from all over the area who had seen what was happening on television. Evening was coming on, and they had been at this since early morning, but they showed no sign of stopping.

I wasn't exactly properly dressed for the occasion, but I couldn't resist getting in line and joining them for the little time I was there. Now, a roster of their names would probably reveal a variety of ethnic backgrounds. As would be true of any group of Americans, they included different races and religions, I know—but who asked? And the line was coeducational—girls and boys. Looking at their fresh, wholesome and, yes, happy, enthusiastic faces, even though they'd been there since early morning, I was looking at the future of America and, believe me, the future looked mighty good.

This story has a happy ending. Before the crisis passed—for once the weatherman wasn't completely correct—there were 30,000 people of all ages, inspired by them, piling more than a million sandbags on those battered old dikes. And now the flood waters are receding, and the people are being able to go back and start the clean-up of their homes.

The spirit of brotherhood which you exemplify doesn't stop at our own borders. In the field of foreign policy, right now there are differences of opinion about how best to restore America's power and status in the world, and how best to meet the threat of totalitarian aggression. And there's disagreement over how best to deal with volatile, challenging problems in Latin America and the Middle East.

But while we may disagree over tactics in all these areas, we stand united as Americans in our underlying commitment to basic principles—economic stability and growth at home, peace, freedom, and a better life for peoples everywhere. Those of us who've been selected by the American people to serve in government have the bottom-line responsibility to put these principles into practice—to foster an economic recovery program at home and a national security policy that will give America the strength we need to survive in a dangerous world and to stand by our friends on the frontlines of freedom.

In the Middle East, in particular, a strong, credible America remains the best guarantor of Israel's integrity and survival as a free nation. A strong, credible America is also an indispensable incentive for a peaceful resolution of differences between Israel and her neighbors. America has never flinched from its commitment to the State of Israel—a commitment which remains unshakable.

But for our commitment to be taken seriously, American strength and American integrity must also be taken seriously—by friends and potential foes alike. Restoring both our strength and our credibility is a major objective of this administration. It deserves the support of all those who share concern not only for our own country's security, but also for the security of our friends and allies.

I am keenly aware of the costs of our defense program and will in the weeks and months and years ahead seek true savings and efficiencies. But we must refute the misguided belief that our defense program can be arbitrarily reduced and still guarantee our national security.

The Soviet Union has built up a military machine unequaled in all man's history, and that arms buildup gives every indication of continuing. When I took office, the Soviet quest for military supremacy, combined with our own unwillingness to maintain American defenses, had produced a very dangerous momentum in their favor.

We cannot allow that momentous—or ominous, I should say, momentum to continue if we want to survive. The hopes of all Americans for a better life, for more opportunity, for better futures for our children, can only be realized if we're safe and free.

Though not small, the cost of our program represents an historically reasonable share of our resources, must be devoted to this, and is far less than a potential disaster a weakened America could face at the hands of a ruthless, powerful foe.

The question before us is whether we have the will to make the relatively small sacrifices to preserve our freedom today and our children's freedom tomorrow and for generations to come.

And so I say, just as those outside this hall who spoke with such passionate conviction earlier this evening[2] that, yes, there will at times be disagreement over the path that we should take. But can't such a dialog be carried on with decency and understanding, without a tone of hatred? Our ability to carry on a dialog, a debate, has always been the pillar of our strength in this land. And even as we disagree, we can remain as one in seeking a common destiny—a society that is just and humane and free.

Every American, every citizen from every walk of life—rich or poor, black, brown or white, Jew, Christian or Moslem, northerner or southerner—has a full right and obligation to participate in shaping these policies and the programs designed to implement them. Our national dialog should reflect the rich diversity of our free, pluralist society, and that diversity should be one of our greatest prides.

Our democratic process is strengthened by the free flow and free competition of ideas. In the words of Thomas Jefferson, "We are not afraid to follow truth wherever it may lead, nor to tolerate any error so long as reason is left free to combat it."

In the final analysis, under the Constitution, the President and the Congress must determine national policy and the national interest. But every citizen and every citizens' group is guaranteed the right to speak out, and must be encouraged to do so without fear of reprisal or defamation. No group should be bullied into silence by racial or ethnic slurs, or the fear of them. The language of hate—the obscenity of anti-semitism and racism—must have no part in our national dialog.

In the office I hold, and as a recipient of this award, I pledge to you that I will continue to do everything in my power to enhance and protect the freedoms we cherish as a pluralist society. The rights of all our citizens are sacred—in the eyes of God and under the Constitution of the United States. It's the Federal Government's responsibility to protect those rights for each and every citizen wherever that citizen may be, at the point of bayonet if necessary.

In one of the most poignant entries in her diary—and in a far more tragic context than anything we face today—Anne Frank wrote on July 15th, 1944, "In spite of everything, I still believe that people are really good at heart." To those who see only the problems and shortcomings of American society, I say: In spite of everything, our land and people are not only good but strong of heart.

America has already succeeded where so many other historic attempts at freedom have failed. Already, we've made this cherished land the last best hope of mankind. It's up to us, in our generation, to carry on the hallowed task. It is up to us, however we may disagree on policies, to work together for progress and humanity so that our grandchildren, when they look back on us, can truly say that we not only preserved the flame of freedom, but cast its warmth and light further than those who came before us.

Again, I thank you from the bottom of my heart for the great honor that you've done me. I shall do my utmost to be deserving of it. I thank you. God bless you.

Note: The President spoke at 9:36 p.m. in the Grand Ballroom of the New York Hilton Hotel. Prior to the dinner and pres-

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[2] *The President was referring to demonstrators outside the hotel.*

entation ceremony, the President and Mrs. Reagan attended a reception for head table guests in the Trianon Room at the hotel.

Following his remarks, the President returned to Washington, D.C.

Interview in New York City With Members of the Editorial Board of the New York Post

March 23, 1982

Q. Well, you know, Mr. President, we at the Post have never presumed to have quick-fix answers to complex problems, and we recognize that you have never promised them. So, although this may be a quick-fix interview, we know that you haven't got very much time——

The President. All right.

Q. ——nonetheless, we're not taking it as the ultimate in quick fix. If the questions are blunt, it's because we'd like to be very serious with you, and we'd like to take back some good messages for our readers about what's going on, the problems that you're facing, and some of the anxieties that they've both got.

Mayor Edward I. Koch

But let's start with a softer question about New York City first. You said that Mayor Koch was a great mayor.

The President. Mm-hm.

Q. Do you think he'll be a great Governor, if he's elected?

The President [*Laughing*]. Well, if he continues the pattern that he held here with regard to balancing budgets and so forth, yes. The jobs aren't that dissimilar, although he might find a whole legislature a little bit more to handle than just a city council. But he's—after all, he was a Member of Congress, and so he knows his way around there, too.

Q. Right.

Q. You think he's got the goods to be a good Governor?

The President. Yes, I think his record here in what was called so many times an impossible task, and he made it possible—two straight years of a balanced budget.

New York Republican Party

Q. Are you concerned about the disarray in the Republican Party in New York? The frontrunner for Governor, Ned Regan's withdrawn, and the frontrunner for the Senate, the GOP Senate race, has been forced to withdraw.

The President. Yes, I know. That's something that you don't like to see in either party or have happen. The only advice I would give, coming in as an outsider, only linked by way of—that we're in the same party and concern is I would highly recommend the Eleventh Commandment that we gave birth to in California: "Thou shalt not speak ill of another Republican." [*Laughter*]

Q. Governor Koch notwithstanding.

The President. Well, I tell you, though, it's amazing what we learned there. It worked, because when it was created was at the low spot, right after 1964. And we had torn the party wide open in California. I don't think it was more divided any place in the country than it was after the bitter '64 election. And that simple thing, the Eleventh Commandment, took hold, and organizations like the Women's Federated—the Republican clubs, they adopted statewide and just simply said they would not support any Republican winner after the primary who had not observed in the primary the Eleventh Commandment. And '66, a united party elected almost all the constitutional officers—the Governor—that was when I ran. And it just—it did the job.

The Nation's Economy

Q. Yes. Thank you. If I could talk about the economy—you know, I don't think there's any question that the budget cuts are going to have a pretty dramatic effect on the life of the average New Yorker. And what we'd like to know is how we can tell our readers how to face this. I mean, are we going to tell them that we're biting the bullet now in order to make things good, or do we have to accept the fact that the life of wine and roses is over? I mean that's the kind of question strap-hangers ask us every day.

The President. Yes. Although there's been a—you know, there's been a great tendency to play this as—maybe it's the term "budget cut" that is the thing that confuses most people. They fail to see—now, I take it you're talking about now our national——

Q. Yes.

The President. ——our national reductions. They're reductions in the rate of increase. The '83 budget will be bigger than the '82 budget. The '82 was bigger than the '81. The difference is that before, and when we came to office, the Federal spending was increasing 17 percent a year. And we have more than cut that in half. But it still means—we've cut that rate of increase in half—but it still means that there is more. Now, there are certain individual programs that have been cut simply because we found that—mismanagement or they were ineffective. I can give one example.

We have in the budget, for example, $1.8 billion for job training. Now, that's a reduction from a $3.5 billion CETA program. And everyone would say, automatically, in time of recession like this and unemployment, why would we be cutting that? Now, the funny thing is what we're cutting was fat. The program that we deserted, the $3.5 billion one—it was, I think, maybe $3.35 or something of that kind—it was only $592 million of that was actually spent on training. Out of the billion eight, $3¼ billion—I mean, a billion and more than a quarter of a million dollars will be spent on job training. That we've almost doubled the amount or more than doubled the amount of money spent on job training, and for only half the price of the program. Now, we do have programs that—individual programs that are smaller, but for reasons of that kind.

Food stamps: I hear the downbeat talk about things of this kind and hunger and so forth. There'll be five [1] times as many food stamps as there were in 1978. The increase is that much.

Q. That aside, with the economy the way it's going and with job training, should we be looking forward to putting our kids through college, or one kid through college and one kid through job training? Should all kids go through college, or should some kids not go through college and go to job training, maybe a carpenter or a bricklayer or someone?

The President. Well, I see the natural selection in that is taking place. It's a voluntary thing already.

Q. Can I afford to put my kids through college, do you think? I don't know.

The President. Well, no, I'm just talking about those who choose to go to college or try to, and those who—there are others who have no interest in going to college and who go on in a different direction. And I don't think there ought to be any compulsion about one or the other though.

But again, our grants and loans will provide for almost 7 million college grants and loans. So there again, what we did was we decided that there had to be some ceiling someplace on the loans, because, very frankly, we found that, with the high interest rates——

Q. Are being abused.

The President. ——some people were simply taking the government loan and reinvesting it in Treasury notes and making a profit on the money they'd borrowed from the government.

Q. Well, okay, now if we're to believe the New York Times and the Washington Post and most of the networks, the suggestion is that you're being deserted by your allies in the Senate, in the Congress, and even in parts of your administration in these difficult times. Now, is this selective journalism? Are you frustrated with your relationships with the GOP?

The President. No, not at all. We've been meeting—and granted, there are different proposals and ideas, but I think all of them sincerely intended. The simple problem is we are in a kind of emergency situation. And I think we have to treat it—and when you, a moment ago, said that, about biting the bullet and so forth, I think even though

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[1] *The President later corrected himself to say he meant two times as many food stamps.* [Printed in the transcript]

I have pointed out that as far as the really, truly needy are concerned, I think we are maintaining the safety net.

But I do believe that we've got to recognize that this recession has been the result of a number of years of practices that have led to these high interest rates. Now, today there's only one thing that causes those high interest rates, and that is that right out in the money markets themselves—even though last month inflation was only running at a 3-percent rate, annualized rate, that we've come all the way down to that. And since October 1st, averaging it out since October 1st, it has averaged 4.1 percent. Now, that would indicate that interest rates, which are dictated by inflation—if you're going to lend money and you know that there's an inflation rate that every year is depreciating the value of the dollar you lend, you have to get back enough in interest to offset that, plus the earnings that you want on top of that money.

If—at a 3-percent interest rate, you could say that, or—I mean, an inflation rate—that interest rates should be less than 8 percent, and they're not. And one of the reasons is, having been burned over the last few decades so many times, the markets just don't believe that inflation is not going to go back up. They have seen that roller coaster effect of the money supply zooming up as it did in 1980—the fastest rate of increase in our history in the last 6 months of 1980. But then when they pulled the string on it, it zoomed way down below what it should be, and supply and demand—the result was that inflation went zooming up again. And this, I think, is what the money market suspects.

They can't believe that we're going to go forward and that this is—we're going to continue this fight against inflation.

Q. So, will you pin down the doubt about the success of your program as being the main reason why interest rates have stayed so firmly well above inflation——

The President. That or the very fact that they don't really believe that the Congress will continue with the program of reducing government spending and so forth. Now——

Q. Are they turning around? I mean, do you think there's support——

The President. Well, right now you see—you know, the battle goes on as it did the last year, and so we have submitted billions of dollars, tens of billions of dollars in cuts, and so far there's no indication that the opposition is going to accept those.

I feel that we are going to get together. We have to. But I think we also have to get together something—in the same tone of what you said—of: "Look, government is the cause of this; government has to restore the balance." Government has to reduce the amount of money that it's taking from the people. Government has to allow the private sector—the economy to expand, provide the jobs the people need, and that means continuing on this anti-inflationary pattern.

Q. Is it a case of both of us biting the bullet? We've got to bite the bullet; so has the government.

The President. Yeah, to a certain extent, yes.

Q. Well, without setting your feet in concrete, when do you think—when do you hope that the interest rates will start tumbling, and how much by?

The President. Well, I have to believe that we're going to see a few points' drop between now and summer—now, not as much as I'd like to see, but I think we are going to see that. And maybe then as there are increasing signs that we are bottoming out in this recession, then I think we might see more of that.

Q. Two points is very significant, if you said by summer. Even if you are wrong, say, like even by next winter—I mean, for this particular region, two points, maybe three points. Do you really think we could do it in 6 months? Two or three points' drop, people could get homes two or three points less?

The President. Well, I've had——

Q. Perhaps? Maybe?

The President. ——projections of this kind given to me by economists and—[*laughter*]——

Q. He said your feet are not in concrete, but do you think, perhaps?

The President. Yes, I have to believe that. We've seen that one start down and that there was a little flurry and like a half a point up and a half a point here. But I think that was the beginning, and I think—I know that I'm really basically speaking of short-term loans. What the situation will be with long-term, I think is going to depend on what we—and by "we" I mean myself and the Congress, all of us—come up with in this program, how closely they come to meeting what we've asked for with regard to reductions in spending, that sort of thing.

Q. Yes, we'd really like you to expand a bit more on how optimistic you are on the outcome of the budget struggle between yourself and Congress. I mean, this time, the number of rallying points that you have at your disposal are a good deal more limited to start with anyway than this time last year.

The President. Well, I'm still optimistic, because I know that there are well-intentioned people up there on both sides of the aisle that really are serious-minded about the welfare of the Nation. And I think when the chips are finally down that we will.

Q. You have said, in the best of the Post traditional headlines, "Put up or shut up."

The President. Yeah.

Q. And I think all New Yorkers responded to that. And you were quite unequivocal when you said, "Put up or shut up." In other words, you were saying, "If anyone's got a better idea——"

The President. Yes.

Q. "——please come to me." Has anyone come up with a better idea? I guess not.

The President. Well, not—no, there've been maybe a dozen proposals, but they didn't meet what I think are the three basics. I think that the program that we have in place is the best answer, the fundamentals of that program, for getting us back on a sound economic footing. And it calls for a reduction, of course, in government spending, a real reduction. It calls also for the national security and ensuring the national security. And it calls for the incentive tax cut program that we sponsored both in the individual and the business accelerated depreciation and so forth. Those.

Now, I think that any program—I think there's flexibility in there in a number of ways. If you'll remember, we discussed last year that I am willing to look at the tax structure for those places where, maybe, there are people getting unintended and undeserved tax breaks who should be—in other words, I hate to use the term that was given birth last year and then everyone thought it was a euphemism for tax increases, but, no, when I said, "revenue enhancements," well, we were talking about this thing. You know, to—I just read as late as today that it is estimated that $95 billion is lost in tax revenues every year. Well, that's as much as they're talking about for the whole deficit. But that type of thing. Suggestions in that.

If they're—someone will come in and if they want to discuss differences with regard to where government spending should be cut, but certainly coming back to the same goal of reducing government, my feet aren't in concrete on those things. But so far nothing has been forthcoming except some voices raised saying to me, "Well, we don't like what you've submitted. Submit something else." Well, I negotiated too long for a union to believe that that's the way you do it. They suggest something and then you start toward each other.

Q. We understand your administration's discussing bringing forward the 10-percent tax cut and making it retroactive to Jan. 1 this year. Would you be in favor of that?

The President. If it could be done practically. But we really looked at that because, yes, we were interested in that. We were interested, because I think if we'd gotten the whole package last year, if they had given us the tax cut beginning in January of 1981, 10 percent and not the 5 percent, I think very likely we could have avoided this recession. And so, I would think about that.

But from Treasury, as we looked into it, the whole mechanical problem of it and the actual gain over and above the problems that it created just didn't make it look worthwhile.

Q. So, it's not likely to run.

The President. It's not likely to be done.

Q. No.

The Middle East

Could we turn to international—this is an international question; also, as you recognize, a New York question. How could you assure the Jews of the city, this city, who came out very strongly for you in the election, how could you assure the—that you haven't abandoned them and Israel? You know, many of the Jews in this city feel very hurt. And now maybe the lines are crossed, but that's the way we hear it.

The President. I think they are, and we've tried to meet with leaders of various groups and organizations in the Jewish community to explain—particularly last year over the AWACS deal—what it was that we were trying to do. And I can assure you—in fact, it will be in my remarks tonight—that we remain, without qualification, pledged to the security and the support of Israel.

Q. Then you do feel the lines have been somewhere crossed?

The President. Yes. Let me take the AWACS issue to begin with.

Here is Israel, virtually one of the smallest of the nations, outnumbered a hundred to one, basically by countries that—other than Egypt—have still—well, until Saudi Arabia softened its position—declaring that Israel does not have a right to exist as a nation. So, Israel retains a military capacity that is backbreaking for them.

The answer to Israel's security is longtime peace. The United States is dedicated—and was before I ever got here, as witness Camp David—to helping in this process. I think that one of the only ways we can bring this about is if we can persuade, particularly the more moderate Arab nations, to see this situation as Egypt did—and Egypt was the one that was at war—and to bring them into where we can sit down and they can recognize that we intend to be fair as an outsider in here trying to help.

So, what we have been—this is one of the reasons we have been trying to develop this relationship and let them know that we want peace for everybody there.

Q. Is the thought, Mr. President, that previous to that, that the American Government was so, to coin a phrase, "pathologically tied into Israel," that even the moderate Arab countries felt they were so threatened, not so much by Israel but by the so-called almighty American arm and got scared into something and doing something that they would not have normally done. And then by—what you're saying is by balancing it, we both have a right hand and a left hand.

The President. Well, no, I don't think they were. I think that you'll find among those same moderate nations that they have much more of a concern of the threat of the Soviet Union in the Middle East. And Egypt certainly did not. Sadat did not change because of any pressure from us. You know, he had inherited the alliance with the Soviet Union. And he finally had it up to here with them, and he kicked them out, and then made that great overture that led to where we are today.

But, no, I believe it is a case of—and Prime Minister Begin, when he visited Washington, I told him this and what we were going to do, and I told him that we were allies and that in my view it was a two-way street, that we derived benefit as well as they did from the relationship, and that we were completely dedicated to the preservation of the state of Israel. And this was the only, the supposed arm-twisting and everything that took place in the AWACS thing. This was all that I said——

Q. Arm-twisting. [*Laughter*]

The President. ——but this was all that I said to the Senators. I told them that I believe that this was the most useful step in the pursuit of peace. And many of them—they were—and I must say, the Senators that I talked to were most sincere in their views, even those that—their concern was the security of Israel. And I got their votes when I was able to persuade them that it was equally my concern.

I remember one day one of them, he stood up after we'd talked, and he said, "Well," he said, "I'm going out of here and do some praying." And I said, "Well, if you get a busy signal, it's me in there ahead of you." [*Laughter*]

Q. Mr. President, you also sent those Senators, I think I recall correctly, and to the Congress, a letter in which you pledged that the planes would not be—the deal wouldn't go through unless certain conditions were fulfilled, one of which was that the United States would share in the intelligence gathered and have a say in the supply of that to any third party.

The President. You mean of the information from the Saudis, from the AWACS. Yes.

Q. That's right.

The President. Yes.

Q. And I presume, of course, that that is still the case and that either it's been achieved or is in the process of being achieved.

The President. That had been worked out, yes.

Q. And positively. That is, you'll be able to fulfill it.

Central America

Q. Can we talk about the backyard of America?

The President. The background of——

Q. The backyard.

Q. Central America.

The President. Oh.

Q. Do you think, in fact, that democracy can be saved in El Salvador, and what can, should, or would we do if all hell breaks loose out there?

The President. Well, I think it can be. Did any of you see Duarte on "Face the Nation?"

Q. Yes.

The President. I thought he was very effective. And his explanation, I have to say, I second what he was saying, because this is the concept that we have. And all the evidence that we have substantiates this, that here is the middle road.

And he does have an extreme right down there. And he also has those guerrillas to the left. And we know of the efforts that he made to persuade the left groups, the guerrillas, and amnesty promised them and all, if they'd join in this election. And they revealed, really, how true to the left they are, in that they wanted to be a part of government by negotiation without an election. And his was the group——

Q. Back to your old union stands, right?

Q. But it's very difficult, quite obviously—as it was in Vietnam, Laos, Cambodia—it's very difficult to, obviously, separate El Salvador, Nicaragua, and so on and so forth. And it comes to the obvious question: Cuba, we perceive, has fomented problems in Nicaragua. Nicaragua is feeding, we perceive, arms to El Salvadoran rebels.

The President. Yes.

Q. It's very difficult to draw a borderline on a map. How do we look at Central America front on and say, well, you're an El Salvadoran, you're a Cuban, you're a Nicaraguan? Quite obviously, they're so incredibly intermingled.

The President. Well, you have some democracies there. You have Honduras; you have Costa Rica, who, well—Costa Rica was the showcase of democracy. But now, Nicaragua was a perfect example of where there was a coalition for the revolution, and against, in that case, you might say, the extreme right. But the coalition, the moderates and the leftists and so forth, got together. But once the victory was achieved, pretty soon the moderates were no longer part of the government. And it all was completely left.

And if you will remember, at the inauguration, Castro was there, a representative of the Soviet Union. And Castro proclaimed—and no one put him down for it—proclaimed that here on the mainland of America was the first Communist——

Q. But, Mr. President——

The President. ——state.

Q. ——do we sit down, do we take a back seat to Afghanistan? Do we see Afghanistan roll—the Russians rolling over Afghanistan? Do we see the Cubans rolling through Angola, the Cubans rolling through Nicaragua, the Cubans feeding El Salvador? Now, no one wants to get in another Vietnam, of course——

The President. No.

Q. ——but, indeed, what is the end result? What do we do?

The President. Well, in all of those things, we are embarked on certain courses. For example, with regard to Angola. When we took office, the whole negotiations for Namibia were on dead center and stopped. You know, there is what's called a contact group, and there are the frontline African States and so forth concerned with this and South Africa. Now, we have gotten those negotiations back underway, and we are most hopeful that we can persuade——

Q. So, can we promise the Poles something? Can we promise the Nicaraguans something? Can we promise the—can we promise them anything?

The President. We showed——

Q. We can't send Americans.

The President. We showed our intention to Nicaragua at the very beginning when we renewed a grant to them. And the grant was on—this was before they were quite as openly left—before they'd gotten rid of some of their moderates. And we withdrew the balance of the grant when we found they'd lied, because they—at the time of the grant, they promised us that they would not in any way intervene in Salvador.

Q. Shouldn't we punish them some way? Shouldn't we punish them some way, somehow?

The President. Well, we took the money away from them. But right now, you know, there is the possibility they themselves have expressed the willingness to talk. Mexico has suggested itself to intervene.

In all these places, I know it's quite a checker game, but it doesn't mean that we're interested in one and neglecting another. Right now, I think with this election coming up, Salvador—and we didn't start that, it was there—has been the key. And yet our aid economically is several times greater than anything we're doing with regard to military supplies to help them.

And, no, we're not—we don't have any plans to send any combat forces anyplace.

Q. No plans?

The President. No.

The Nation's Economy

Deputy Press Secretary Speakes. Mr. President, one thing you might want to clarify. Back on the economy, when you mentioned the inflation rate, when you said 3 percent, you said "annualized." Three percent was the monthly rate.

The President. Yes—well, no: I said——

Q. Four and a half.

The President. ——that February, if you annualized the February rate——

Mr. Speakes. I see.

The President. ——because it would annualize out to only 3 percent over the——

Q. We need this guy as a reporter on the New York Post. [*Laughter*]

Q. And there are some figures out today which are suggesting it's nearer 1 percent.

Q. May I ask permission to ask one small question?

Mr. Speakes. Sure. Let's go ahead with one more quick one and then scoot out.

U.S.-Soviet Relations

Q. But it's something which causes me a lot of anxiety. I try to write about it. We have this vast Soviet rearmament, and it's got to the point where the United States has to do its own bit of catching up to rationalize the situation and bring some balance into confronting situations. And we also have the capital of the world, the Western capital. Do you give some thought from time to time or is there any current approach to thinking in terms of the use of our main weapon in that area, of capital, of the capital which the Soviet Union, the Soviet bloc obviously wish to borrow with which (a) to buy food, and (b) of course, to buy high Western technology with which to make even a bigger quantitative leap in their rearmament program?

The President. Well, I think the economic signs are there now of what has happened to the Soviet Union from this big buildup. They are in deep trouble, and so are their satellites. And this is why we've had Jim Buckley[2] and his group over there——

Q. Yes, I was wondering about the success of that mission.

The President. Now, I'll be meeting with him when I get back. He just got back this weekend, and so I haven't had a report. This is what he's talking to the allies about, is the curtailing of credit to the Soviet Union, because I think they've run out of hard cash and they economically are very vulnerable right at the moment.

They've deprived their people; they've lowered their standard of living just to continue with this massive buildup. And I must say they've been tremendously successful with it. They're—not only quantitatively but qualitatively—militarily they have been an industrial giant. And this is one of the reasons why we can't retreat on what we're doing, because I believe we've come to the point that we must go at the matter of realistically reducing, if not totally eliminating, the nuclear weapon, the threat to the world.

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[2] *Under Secretary of State for Security Assistance, Science and Technology.*

And I think to do that we have to sit across the table from them with the strength that we haven't had for the last decade in which they've got a stake in maybe doing something of this kind, and particularly now in their economic situation. But before this we were unilaterally disarming. They didn't have to give in and make any deal about disarming. And I think what we're doing in Geneva reveals something about their lack of sincerity now in this whole matter, because we don't have anything there and they have 300, and we're saying we won't put anything there if you'll take your 300 away. And they so far haven't been willing to meet.

But I think that's a pretty good indication of how important it is that you sit on the other side of the table with some chips of your own that you can throw in the pot.

Note: The interview began at 3:28 p.m. in the Empire Suite at the New York Hilton Hotel. Participating were Roger Wood, New York Post executive editor, Bruce Rothwell, editorial page editor, Steve Dunlavy, metropolitan editor, Niles Lathem, Washington bureau chief, George Arzt, city hall bureau chief, and Joey Adams, columnist.

The transcript of the interview was released by the Office of the Press Secretary on March 24.

Executive Order 12353—Charitable Fund-Raising

March 23, 1982

By the authority vested in me as President by the Constitution of the United States of America, and in order to support and facilitate fund-raising on behalf of voluntary agencies through on-the-job solicitations of Federal employees and members of the uniformed services, and to ensure that the recipient agencies are responsible in the uses of the monies so raised, it is hereby ordered as follows:

Section 1. The Director of the Office of Personnel Management shall make arrangements for such national voluntary health and welfare agencies and such other national voluntary agencies as may be appropriate to solicit contributions from Federal employees and members of the uniformed services at their places of employment or duty. These arrangements shall take the form of an annual Combined Federal Campaign in which eligible voluntary agencies are authorized to take part.

Sec. 2. The Director shall establish criteria for determining the eligibility of voluntary agencies that may participate in each of the annual Combined Federal Campaigns.

Sec. 3. In making arrangements for the Combined Federal Campaign, the Director is authorized, in his discretion, to consult with the Departments and agencies concerned, representatives of the employees and members to be solicited, and, to the extent practicable, representatives of voluntary agencies seeking to participate in a Combined Federal Campaign.

Sec. 4. The arrangements made by the Director shall (a) ensure that all contributions are voluntary, that there is no coercion, and that individuals have the option of disclosing their contribution or keeping it confidential, (b) designate the specific period during which the annual solicitation may be conducted, and (c) permit only one annual solicitation except in cases of emergency or disaster appeals for which specific provision shall be made by the Director.

Sec. 5. Subject to such rules and regulations as he shall prescribe, the Director may authorize a local principal combined fund organization to manage a local Combined Federal Campaign. Such authorization shall, if made, ensure at a minimum that the local principal combined fund organization operates subject to the direction and control of the Director and such local Federal coordinating entities as he may establish; manages the local campaign fairly and equitably; consults with and considers advice from interested parties and organizations; and publishes reports of its management of the local campaign.

Sec. 6. The forms for the solicitation of funds shall clearly specify the eligible agencies and provide a direct means to designate funds to such agencies. Where allocation of undesignated funds by the local principal combined fund organization is authorized by the Director, prominent notice of the authorization for such allocation shall be provided on the solicitation forms.

Sec. 7. This Order shall not apply to solicitations conducted by organizations composed of civilian employees or members of the uniformed services among their own members for organizational support or for the benefit of welfare funds for their members. Such solicitations shall be conducted under policies and procedures approved by the head of the Department or agency concerned.

Sec. 8. The Director shall prescribe such rules and regulations as may be necessary to implement this Order.

Sec. 9. Executive Order No. 10927, as amended, is revoked. Notwithstanding that revocation, directives issued under that Order shall continue in effect until revoked or modified under the provisions of this Order.

RONALD REAGAN

The White House,
March 23, 1982.

[Filed with the Office of the Federal Register, 11:26 a.m., March 24, 1982]

Note: The text of the Executive order was released by the Office of the Press Secretary on March 24.

Remarks at a Meeting With Chief Executive Officers of National Organizations To Discuss Private Sector Initiatives

March 24, 1982

Really, I should be applauding you. I think your presence here disproves an old Army myth: never volunteer.

Well, we're delighted you could all come. And I won't use that cliche from so many mystery movies—you all know or are wondering why I asked you here. You all know. I just hope that Bill Verity and John Filer are right—that your being here means that you're ready to make a commitment to this project. It's not only close to my heart, it's important to the future of our country. We want to rebuild America, not from the government down, but from the people up, all of us together as partners, community by community, and I'm asking you today to help us make it work.

Our system of economic freedom has provided more opportunity, more mobility, more abundance, and distributed it all more widely among our people than any time or anywhere else on Earth. Personal initiative, ingenuity, industry, and reward helped make America the envy of the world. I say "helped," because always there was that extra dimension of faith, friendship, and brotherhood that made us good neighbors, good people, and made America a great country.

[At this point, the President was interrupted by a 2-way radio carried by someone in the press section.]

What'd you say? [*Laughter*] The press conference is Monday. [*Laughter*]

But recently, I must say—I flew to flood-stricken Fort Wayne, Indiana. And as I said last night in New York, I discovered that we still have that spirit we've always had. I saw again how Americans can rally together in times of trouble. Certainly it was a terrible tragedy for many people, but at the same time you had to be inspired by what you saw. My first sight was walking up to a dike—the water was right at the level of the top of the dike and standing on that dike, hundreds of young people who had volunteered, standing there in a line and passing those heavy sandbags to keep that dike line up above the flood crest. One of them gave me his boots, and so I took my place in the line for a little while. A young lady told me she'd been there for 3 days. They were all volunteers, girls and boys from all backgrounds, all the mix that you would find anytime, anyplace in America, of the kind of people that make up an American group. And looking at their happy and enthusiastic faces while they were doing this—and I heard they'd been there since early morning and it was coming on evening, then, and there was no griping about what was going on—I just looked at them, and I thought I was looking at the face of the future in America. And I can tell you, the future looked mighty good.

We've always done well when we've had the courage to believe in ourselves and in our capacity to perform great deeds. We got in trouble when we started looking to government for too many answers, when we listened to those who insisted that making a government bigger would make America better. Well, forgive me, but I happen to believe that the best view of big government is in the rearview mirror as you're driving away from it. [*Laughter*]

I know they were well-intentioned with all the social experiments, but too often their cure only led to despair and dependency for the very people that needed genuine opportunity. The era of rising savings, investment, productivity growth, and technological supremacy that we once knew somehow seemed to slip further from our grasp. Did we forget that government is the people's business, and every man, woman, and child becomes a shareholder with the first penny of tax paid? Did we forget that government must not supersede the will of the people or the responsibilities of the people in their communities? Did we forget that the function of government is not to confer happiness on us, but just to get out of the way and give us the opportunity to work out happiness for ourselves?

Now, these are not Republican or Democratic principles; they're American principles. Thirty years ago, John F. Kennedy said, "Only by doing the work ourselves can we hope in the long run to maintain the authority of the people over the state. Every time that we try to lift a problem from our own shoulders and shift that problem to the hands of government, we are sacrificing the liberties of the people." Well, he was right. We must reaffirm our faith in the people and put America's future back in their hands. Now, this doesn't mean, however, that we abandon our responsibilities to those in need.

For 1983, we have proposed that 28 percent of all Federal spending go to the elderly, an average of $7,850 per individual in payments and services; that the Federal Government subsidize approximately 95 million meals per day. In percent, that's 14 percent of all the meals that are served in the United States. Almost 7 million postsecondary awards or loans will be available to students or their parents through Federal student assistance programs. Through increased funding for Medicaid and Medicare, the Federal Government will provide medical care for some 47 million aged, disabled, and needy Americans, about 20 percent of our total population and 99 percent of those who are over 65.

Approximately $2.8 billion will be spent on training and employment programs, providing skills for almost 1 million low-income, disadvantaged people, 90 percent of whom will be below the age of 25 or recipients of Federal aid to families. Spending on essential services will not go down, as some would have us believe, it'll go up.

But you know as leaders of your major national organizations that too much taxing, spending, and control from Washington leads to bigger and bigger problems. Only when the human spirit is allowed to invent and create, only when individuals are given a personal stake in deciding their destiny and benefiting from their own risks, only then can societies remain dynamic, prosperous, progressive, and free.

So we're restoring incentives for personal enterprise. We're encouraging self-reliance again. And as a complementary action, we've launched a nationwide effort to encourage citizens to join with us, find where need exists, and then to organize volunteer groups to meet those needs.

Bill Verity, Chairman of our private sector initiatives task force, is spending about 23 hours every day. He's recently retired, so he's taking it easy. [*Laughter*] He's doing this, trying to build partnerships between the public and private sectors in every community of America.

Already, 20 Governors have expressed an interest in forming statewide task forces and several have started putting in place their own statewide groups. Eighty to ninety community partnerships are already in existence in one form or another. And now, many new groups are being formed, thanks to the efforts of his task force.

This is a good beginning. But today, with you, we want to kick off a much greater effort. What we need now are your organizations, which do such a fine job representing individual groups at the grassroots, to step in and help us. The corporations, unions, churches, family farms, and mom-and-pop stores all across the country look to you for leadership.

We're not asking you to take over the social welfare system. What we're asking is that you give generously of your time, your know-how, and your imagination. And then we'd like to publicize your own good works, so that together, we can strengthen this system which is such a mighty engine for human progress.

I hope that we can count on your making private sector initiatives a top priority for the balance of this administration. Some of you are already taking the initiative. Let me just cite a few examples of what's being done to point out the enormous potential for good, nationwide.

John Filer, the PSI task force liaison with national organizations, is chairman of the board of the National Alliance of Business. NAB is coordinating a major campaign to find jobs for youth this summer, targeting 100 cities across the country. They'll be looking to you for support. And I should warn you, this won't be the last time you hear from me about this project.

Bill Verity has done some great things in his hometown, Middletown, Ohio. The community partnership they established took inventory of all Federal funds coming into the city. The U.S. Chamber then shared this example with their members, and now 36 local chambers have formed their own partnerships.

I'm also told 150 communities have been targeted by the U.S. Chamber for special attention, to encourage them to establish public-private partnerships.

Sandy Trowbridge, president of the NAM, has requested his members to offer special help to job-training agencies, city halls, colleges, school systems, and neighborhood groups, to provide worthy social services. Sandy has stressed that there's a clear-cut relationship between stable, productive communities and the ability of companies to attract and retain skilled employees. And he's even gone ahead and printed up this brochure, which is kind of a checklist to help firms assess their community's needs and then decide how to help.

One of the greatest roadblocks to job-training and personal advancement is inadequate education. This problem is especially troubling in the black community, where too many of our black children are not acquiring the skills they will need. Led by Dr. Nathan Wright and Mrs. Leon Sullivan, black Americans are planning to mobilize over 60 major organizations and 500,000 black community volunteers to attack this problem at its root. The drive will be called the National Assault on Illiteracy program, and you can be sure that we'll be looking to help them any way we can.

Americans are ready to act, and they'll respond when asked. Those youngsters I told you about in Fort Wayne—within 24 hours after they were up there on the dikes and doing that, the volunteers started, and they ended up with 30,000 volunteers who laid a million sandbags. And even with the oncoming rain, additional rain, the dikes held, and Fort Wayne people are now going back to their own homes; the waters have gone down.

I think it's significant that despite these difficult times when you would expect the average charity drive to fall short of its goal, that the United Way set a new record in last year's campaign. The dollar value of total time volunteered by Americans is now estimated at $64½ billion. One recent poll showed that 44 percent of adults who got involved in volunteer work in the last year did it because someone asked them. Isn't that really what it's all about?—that each of us does have an obligation, a personal responsibility to give something back to this country which has given us so much? We can't all be the best, but we can each give our best, and America deserves no less.

Each of you here today is an acknowledged leader, a mover, and shaker. Well, let us start asking ourselves in 1982, "What did I do today that will help a fellow American in need?" And if the answer is nothing, the next question should be, "Well, what am I going to do about that tomorrow?"

With your help, we have begun to make the changes in Washington that America needs. And it's time to take this program and make it work at the grassroots.

I think back to a statement Herb Brooks made that seems more and more meaningful everyday. You know that name; he's coach of the New York Rangers. But as you probably remember, he coached those young Americans of our Olympic hockey team that made us so proud at Lake Placid when they defeated that great Russian team. Coach Brooks was in the locker room with his team before they took the ice. He wanted to fill his players with confidence to play the game of their lives, and he told them, "You're born to be a player; you are meant to be here at this time. This is your moment." And, as you know, when they left the ice, those kids were chanting, "U.S.A., U.S.A."

Well, this is your moment—our moment, I should say, yours and mine—our chance to correct the mistakes of the past, our chance to justify the brief time that we spent here. We're not asking you for a miracle; we're doing what needs to be done. So help us do what we know is right and help us to do what we know will work.

Thank you for being here today for the cause that unites us. Maybe I've told some of you this story, or maybe someone else has told you. But I just have to tell you, I have a great admiration for people like you and what you are doing in this regard—people who can go out and solicit others, ask them for money. I've never been good at that. I always get self-conscious. That's why I'm in government. Now we don't ask for it; we just take it. [*Laughter*]

But I have to tell you the little story about the gentleman who finally accepted the job of chairman of the charity committee in his hometown, and he looked at all the records. And then he went to a gentleman, and this was some time ago, back when $90 thousand a year was an awful lot of income, more than it is now. And he said, "Our records show that your income is above $90 thousand a year, and yet you've never contributed to the local charity." And the old fellow said: "Do your records also show that my widowed children [mother] was left with four children and absolutely destitute?" He said, "Do they show that my older brother was disabled in the war, has been totally disabled ever since?" And kind of abashed, the chairman said, "Well, no, our records don't show that." And he said, "Well, I don't do anything for them, why should I do something for you?" [*Laughter*]

Now, forgive me, but I'm already late for my next appointment. And Bill Verity and John Filer will have some important business with you. So I leave it to them, and again, God bless you, and thank you very much for being here.

Note: The President spoke at 11:51 a.m. in the East Room at the White House.

Appointment of Wyatt Durrette as a Member of the Advisory Commission on Intergovernmental Relations

March 24, 1982

The President today announced his intention to appoint Wyatt Durrette to be a member of the Advisory Commission on Intergovernmental Relations for a term of 2 years. He would succeed Mary E. Wall.

Mr. Durrette is currently a partner in the law firm of Maloney and Chess in Fairfax and Richmond. He was a member of the

Virginia House of Delegates in 1972–1978 and served on the courts of justice, conservation and natural resources, and education committees. He taught at Northern Virginia Community College in 1969–1971, Golden Gate University in 1966–1967, the University of Maryland in 1967–1978, and Virginia Military Institute in 1962–1964.

He graduated from Virginia Military Institute (B.S., 1961), Johns Hopkins University (M.S., 1966), and Washington and Lee University School of Law (LL.B., 1964). He is married, has six children, and resides in Vienna, Va. He was born February 21, 1938.

Statement on the 25th Anniversary of the European Communities
March 24, 1982

This year, 1982, marks the 25th anniversary of the signing of the Treaties of Rome. These documents established the European Community, then the second largest trading entity in the world and an emerging influence in international relations.

In his State of the Union message in 1957, President Eisenhower welcomed the efforts of "our European friends to develop an integrated community." Every administration since then has supported that goal. We believed then, and believe now, that a united Europe would achieve economic progress, would play a more effective role in world affairs, and would be better able to join the United States in preserving world peace and security. The European Community has more than redeemed our faith in its purposes. We should not underestimate the progress made in the past quarter century. From a gleam in the eyes of Jean Monnet and others, the Community has become an irreversible and dynamic reality.

Let me reaffirm clearly the support of this administration for European unity. We consider a strong and united Europe not a rival, but a partner. As we enter the second quarter century of relations between the European Community and the United States, we face economic and political challenges as difficult as those which confronted our predecessors in 1957. However, the relationship between Western Europe and the United States has changed fundamentally. In those days the United States was the dominant partner, and Europe had a more dependent role. Now the economic weight of the two sides is more evenly balanced. The gross domestic product of the European Community is comparable to that of the United States. The United States looks to Europe today for cooperation in a spirit of full partnership commensurate with its economic and political importance.

Both Europe and the United States recognize that partnership involves responsibilities. These responsibilities apply to the economic area in particular where we both have the responsibility to avoid actions which have an adverse impact on our trading partners and to preserve our free trading system. They also extend to our common security interests, where we have the responsibility to cooperate on support for like-minded countries seeking closer Western ties, and to resist the efforts of those who do not share our values to extend their power and influence. The European Community, as well as the United States, will provide responsible leadership in these areas in the years ahead.

I have every confidence that in the coming quarter century, we will build an even more productive relationship between the European Community and the United States. As we commemorate the achievements of men like Jean Monnet, we must follow his example and those of the other giants of that generation, looking ahead with vision, courage, and optimism.

Statement on the Senate Vote Sustaining a Veto of the Standby Petroleum Allocation Bill

March 24, 1982

I want to thank the Members of the Senate who have just voted to sustain my veto of the standby petroleum allocation act.

I am especially grateful to Senators Baker, Stevens, Laxalt, Nickles, and Mattingly. They displayed an extraordinary degree of teamwork and personal leadership that made today's victory possible.

Today's vote was an expression of confidence that our marketplace and the good sense of the American people provide our best lines of defense against any future interruptions of energy supplies.

America has recently embarked upon a new path in energy—a path that is leading us toward greater production, expanded storage, and reduced reliance upon foreign energy sources. Those who voted to sustain this veto fully understood that greater energy independence is the best preparation America can make for the future.

Proclamation 4912—Loyalty Day, 1982

March 24, 1982

By the President of the United States of America

A Proclamation

Among the blessings of this wonderful land are our free institutions. Americans are guaranteed freedom of speech, religion, and the press and the right to assemble and petition for the redress of grievances. Our citizens cherish their liberty and their right to be protected against the unwarranted intrusion of government. Our freedoms have been hard-won and will be preserved.

Other countries are not so fortunate. Time and time again, individuals, groups, and whole peoples have been subjected to tyrannies and deprivations. When thoughtful Americans witness the oppression, even terror, that is so prevalent in many other parts of the world, they cannot help but feel a deep and abiding appreciation for, and renewed loyalty to, our own Nation and its ideals.

Americans prize their diversity but are united in a shared allegiance to our Nation's tradition of justice and liberty for all. We have fought for these traditions in the past, and we will not permit their erosion in the future.

It is altogether fitting that we set aside a day for reflection on our stake in democracy and in its highest purpose—the advancement of the freedom and dignity of mankind.

By joint resolution approved July 18, 1958 (72 Stat. 369, 36 U.S.C. 162), Congress has designated May 1 of every year as Loyalty Day in order to encourage all Americans to reflect upon our national institutions, our heritage of freedom, and what it means to be an American.

Now, Therefore, I, Ronald Reagan, President of the United States of America, call upon all Americans and patriotic, civic, and educational organizations to observe Saturday, May 1, 1982, as Loyalty Day, with appropriate ceremonies.

I call upon all Government officials to display the flag of the United States on all Government buildings and grounds on that day.

In Witness Whereof, I have hereunto set my hand this 24th day of March, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United

Mr. President, Italy and the United States stand shoulder to shoulder in the defense of democratic government and human freedom. In these perilous times, both our peoples may find comfort in the partnership that has developed between our nations. The great Roman orator Cicero once said, "Friendship makes prosperity more brilliant and lightens adversity by dividing and sharing it." Well, whether it be good times or bad, our two peoples have demonstrated beyond any doubt that Italy and the United States are and will be friends.

This bond is not solely due to the magnificent contributions Americans of Italian descent have made in this land. Certainly all Americans are aware of these contributions in the arts, in business and industry, and in government. They are monuments of which we are rightfully proud. Our brotherhood is one of soul as well as blood. If there had never been a migration from your country, we would still be kindred spirits because of our common ideals.

Today these ideals are threatened, but it is heartening to see how they draw us closer together. Your unwavering support of the Western alliance, your willingness to do your part and more for the protection of freedom are much appreciated by the people of the United States.

It is said that actions speak louder than words. Well, if that be true, certainly all the world has heard your message. Your country was one of the first major powers to step forward to participate in the Sinai peacekeeping force. Just as vital to peace was your willingness to provide the Alliance the means of maintaining a credible nuclear deterrent as a counterbalance to a massive Soviet buildup. And you were quick to support the oppressed peoples of Afghanistan and Poland.

These commitments to peace and freedom demonstrate that Italy is no passive ally or fair-weather friend but instead is an indispensable partner. One would expect nothing less from a people that produced men like Giuseppe Garibaldi, in whose heart burned a flame that united all of Italy.

In recent years, the Italian people have fought a grim battle against a foe every bit as threatening to freedom and independence as foreign tanks or nuclear missiles. A gang of brutal and inhuman thugs, aided and abetted by foreign powers, sought to destroy Italy's democracy by acts of sheer terror. You, Mr. President, know better than most the consequences of submitting to such gangs and what this could mean. The fight against these terrorists has been costly. Aldo Moro and many others, men and women who had much to contribute, who still had much to live for, were cut down.

It takes a special kind of strength to face such an adversary while maintaining democratic institutions. All those who love liberty have prayed for your success. Today I congratulate you and the Italian people for your fortitude. It appears that you are on your way to victory over these cowardly criminals.

I extend to you now, on behalf of all Americans, our thanks for everything that was done to free General James Dozier. This triumph over evil has inspired good and decent people everywhere.

Mr. President, the world is entering a new era of human history. The time commonly known as the postwar period has come to a close. Human freedom faces tremendous challenges. Its future rests upon the shoulders of the citizens of a small number of democratic nations. This heavy weight must be carried, or it will be lost for generations, as Rome with all her glory was destroyed by the barbarians and then engulfed by the Dark Ages. The preservation of freedom is not a task for the weak. We have confidence that the Italian people, rich in heritage and strong in character, like the people of the United States, will meet the historic responsibility before us.

Today, Mr. President, marks the 25th anniversary of the Treaty of Rome, which created the Common Market, an agreement that has demonstrated even to the most skeptical that free and independent nations can successfully and effectively work together for mutual benefit. Today, let us, the representatives of two powerful forces, decency and freedom, agree that we will face the challenges of the future together and that in times of prosperity and adversity our friendship will stand.

Mr. President, I look forward to visiting your country in June, and I welcome you now to the United States. May the ties between us be always as strong as they are today.

President Pertini [*In English*]. Thank you very much.

[*In Italian*] Mr. President, the warmth of the welcome you have extended to me on behalf of the United States and my great pleasure in listening to your words at the start of this my first visit to this great country are the fruit of a very deep-rooted friendship and understanding between our peoples, for it was to the American Revolution, its inherent principles, and also to the declaration of rights that the Italian looked as they brought about the unity of Italy in the Risorgimento. And it was to Rome, to Italy, and to their history that often turned the thoughts of those Americans who in Philadelphia drafted the Constitution of the United States.

Over more than two centuries, the contacts between our peoples have become extremely close in all fields. A precious blood tie has grown up between us. You number among the people of the United States that group of Italians who have proved so industrious, vigorous, and loyal. And we Italians will never forget that American soldiers have twice lost their lives for the independence and liberty of Italy and Europe during two world wars. This friendship between Italy and the United States does not, therefore, follow the dictates of cool diplomatic calculation, but instead has its roots in the fertile ground of the history of our peoples.

The conversations which myself and the Minister of Foreign Affairs, Mr. Colombo, are to have with you, Mr. President, as well as with other officials of the government and Congress of the United States, these conversations will provide an important forum for the discussion of many aspects of the Italo-American relations and common intents as proposed within the framework of the Atlantic Alliance.

Mr. President, the main reason for my presence here on American soil is, however, to bear witness to certain cherished ideals, aspirations, and values, for it was through these that the Pilgrim Fathers and those fleeing from political, religious, and racial persecution found in America the opportunity to live a peaceful, free, and civilized life.

For these same ideals, we have fought together in Europe. And for these same ideals, we much continue to struggle with tenacity and optimism within the framework of international bodies and institutions. In this way, we reaffirm to the maximum our common faith in free and freely governed peoples.

Note: President Reagan spoke at 10:13 a.m. on the South Lawn of the White House, where President Pertini was given a formal welcome with full military honors. President Pertini's remarks were translated by an interpreter.

Following the ceremony, the two Presidents met privately in the Oval Office and were then joined by the Vice President, Secretary of State Alexander M. Haig, Jr., Italian Foreign Minister Emilio Colombo, and William P. Clark, Assistant to the President for National Security Affairs. The two Presidents then met, together with their delegations, in the Cabinet Room.

Remarks of President Reagan and President Alessandro Pertini of Italy Following Their Meetings

March 25, 1982

President Reagan. Ladies and gentlemen, I've just completed extremely useful talks with a man who embodies the essential qualities we have in mind when we mention such terms as "principle," "staunchness," "courage," and most important, "friend." I refer to the distinguished President of the Italian Republic, Sandro Pertini.

President Pertini in a very real sense not only symbolizes but indeed helps forge the close ties which bind our two peoples and countries.

In our talks this morning, I made a point of reiterating to President Pertini the deep admiration which Americans feel for the constructive and courageous role Italy is increasingly playing on the world stage.

Our country, of course, has special reasons for appreciating that role. We applaud Italy's consistently strong support for the Atlantic Alliance. We applaud her decision to participate actively in the search for a Middle East peace. We're deeply moved by the tireless battle she is waging against the scourge of international terrorism—a battle so recently dramatized for us with the heartlifting liberation of General Dozier by Italian security forces.

President Pertini's long and sometimes lonely fight against the evils of totalitarian oppression give him exceptional credentials as a man of integrity and resolution. He was among the first to speak out publicly against Soviet actions in Poland. For this reason, I welcome the chance to share his insights on a number of critical international issues, including the Polish crisis, the continuing Soviet occupation of Afghanistan, and our joint determination to defeat international terrorism, the situation in Central America, and the status of the peace process in the Middle East.

It's a great honor to have President Pertini with us, and I look forward to seeing him again when I visit his country in June.

President Pertini [*In Italian*]. I am very pleased with my meeting with President Reagan, which I looked forward to for a long time and which has fully met with my expectations. I was certain that we would immediately understand one another. Our talk was characterized by that cordiality and frankness which mark the relationship between our two countries.

Even before leaving on this trip I had had the opportunity to emphasize to you members of the press how sincerely we Italians share with the other Europeans, possibly to an even greater degree, the deep appreciation for the decisive help given us by the Americans during the last two world conflicts, to defend the independence and liberty of our continent, how deeply we feel the need to keep alive the common ideals of our Western civilization—a love of freedom, of social justice, of peace, of human rights, and therefore the reciprocal understanding between these two shores of the Atlantic.

I have also recalled how there exists between Italy and the United States still another deep bond—as sentimental as it is real—that of the presence in America of so many citizens of Italian origin. All these reasons for a strong and lasting understanding, based on common ideals, have been recalled by President Reagan and me in our meeting today, a meeting which, from the very beginning has engendered between us a spontaneous flow of friendship.

We have also reviewed those political and economic issues most relevant to the current international climate, which will be discussed in depth by Secretary of State Haig and Foreign Minister Colombo. We will be able to continue our warm and fruitful exchange of ideas when President Reagan returns my visit in Rome next June.

I'm looking forward to furthering my direct contact with the dynamic American way of life, here in Washington and in my successive visits to other great cities in the United States. I will be happy to meet firsthand the generous American people, for whom I have deep admiration and who have moved me with the warmth of their welcome.

[*In English*] Thank you very much.

Note: President Reagan spoke at 11:47 a.m. to reporters assembled on the South Grounds of the White House. President Pertini's remarks were translated by an interpreter.

Proclamation 4914—Zoo and Aquarium Month, 1982

March 25, 1982

By the President of the United States of America

A Proclamation

Zoos and aquariums play a major role in the cultural life of our nation, providing a wholesome recreational and educational environment for more than 125 million visitors and a living classroom for some 20 million school children each year.

Among the 200 zoos and aquariums located in the United States are some of the finest facilities in the world. Many of our zoos and aquariums have pioneered in efforts to conserve the thousands of species they house. They have also collaborated with institutions around the globe to preserve wildlife and to develop more sophisticated techniques for exhibiting animals in a natural setting.

Animals are a universal language, and they have appeal to people everywhere. By enabling us to experience animals firsthand and to learn about their habitats, zoos and aquariums have become a valuable and unique asset.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate the month of June, 1982, as Zoo and Aquarium Month.

In Witness Whereof, I have hereunto set my hand this twenty-fifth day of March, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 11:35 a.m., March 25, 1982*]

Nomination of Ronald L. Trowbridge To Be an Associate Director of the International Communication Agency

March 25, 1982

The President today announced his intention to nominate Ronald L. Trowbridge to be Associate Director of the International Communication Agency (for Educational and Cultural Affairs). He would succeed Alice S. Ilchman.

Mr. Trowbridge is currently Director of the Office of Private Sector Programs at the International Communication Agency. Prior to that, he was vice president at Hillsdale College in Michigan. For a number of years, he served as editor of the Michigan Academician, the journal of the Michigan Academy of Science, Arts and Letters. He was a professor of English at the Universities of Michigan and Eastern Michigan. He was city councilman in Ann Arbor, Mich., in 1955–1959. In addition, he has published articles on English literature, political thought, and higher education.

He graduated from the University of Michigan (B.A., M.A., Ph. D., 1956–1967). He is married, has three children, and resides in Falls Church, Va. He was born December 4, 1937.

Letter to the Speaker of the House and the Chairman of the Senate Foreign Relations Committee Reporting on the Cyprus Conflict

March 25, 1982

Dear Mr. Speaker: (Dear Mr. Chairman:)

In accordance with the provision of Public Law 95–384, I am submitting the following report on progress made during the past 60 days toward reaching a negotiated settlement of the Cyprus problem.

In the course of continuing discussion of the United Nations "evaluation" of the intercommunal negotiations, the Greek Cypriot and Turkish Cypriot negotiators met on February 1, 8, 18, and 22 and March 3, 10, 17 and 22. The negotiators are examining the ideas and concepts postulated by the "evaluation" seeking agreement on "points of coincidence" among the issues under discussion between the communities. Meetings have been serious and businesslike focusing on detailed analysis of specific points.

The United Nations deserves our high praise for its rare combination of patience and energy in working to resolve the Cyprus problem. United Nations Secretary General Perez de Cuellar has repeatedly expressed his interest in working to resolve the Cyprus issue. This commitment combined with his unique background on the Cyprus problem reinforces hopes for progress. Likewise, the Special Representative of the Secretary General on Cyprus, Ambassador Gobbi, is proceeding with remarkable diplomatic skill to promote an environment congenial to substantive negotiation.

I wish to reemphasize the concern of my Administration over Cyprus and the commitment of the United States to assist the United Nations in its effort to foster a just, fair and lasting settlement to the Cyprus problem. Resolution of the Cyprus problem is a priority for the United States and, as evidenced by the United Nations sponsorship of the intercommunal talks, an international priority as well. We believe that the intercommunal negotiations, as epitomized by the ongoing discussion of the United Nations "evaluation," provide the best course for resolving the Cyprus dilemma. Doubtlessly, the negotiating path will be protracted with obstacles to be overcome. With patience, energy and innovative effort, however, mutually acceptable solutions to outstanding differences are possible.

Sincerely,

RONALD REAGAN

Note: This is the text of identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Charles H. Percy, Chairman of the Senate Foreign Relations Committee.

Toast at the State Dinner Honoring President Alessandro Pertini of Italy

March 25, 1982

President Pertini and distinguished guests:

While looking over President Pertini's schedule, I noted that, consistent with his interest in the arts, he'll be attending the theater while in San Francisco. Now, Mr. President, if I could be so bold as to make a personal suggestion: In a few years when your term of office is coming to a close, you might consider making the theater a second career. [*Laughter*] For an energetic man like yourself, there are interesting opportunities. I know that it works one way, and it might work in reverse. [*Laughter*]

But seriously, all of us wish you a wonderful tour on this, your first visit to our country. We only regret that we've had to wait so long to be your host.

Tonight we honor a man who, had he never become President of his country, would still inspire awe from those who meet him. The overwhelming respect of his countrymen has resulted in his election by an unprecedented margin—832 out of 995 votes cast in the electoral assembly. This tribute was due to the recognition by all Italians of his courage and integrity, and he hasn't let his people down.

President Pertini has been second to none in upholding those principles of political freedom which bind all who love liberty. Shortly after his election, he said, "If someone offered me, who has always been a socialist, the most radical social reform at the expense of freedom, I would refuse, because freedom must never be bartered away." Such commitment to freedom found in decent people of both left and right offers us all hope for a better tomorrow.

All of his life, President Pertini has tried to remain true to these ideals. As a young man, he fought the onslaught of fascism then threatening humanity. He was imprisoned for his opposition to Mussolini and later was sentenced to death by the Nazis. This kind of brutal experience turned many in those days away from democracy and toward totalitarianism. President Pertini never wavered from his democratic ideals.

As it was for many nations, the last decade was a trying time for Italy. Italy faced a sinister challenge that shook its system to the roots. Like Fascists and Nazis, Red Terrorists sought to undermine faith in democracy by demoralizing the people. The Italian people needed a symbol of strength and a symbol of courage and they found that symbol in President Pertini.

One of his first actions was to protest the trials of Soviet dissidents in Moscow. Few Western leaders have expressed such sincere moral outrage over Soviet oppression in Afghanistan and Poland. Perhaps tonight we should realize that the solidarity that unites all those devoted to freedom far transcends the limited differences between the democratic right and the democratic left.

President Pertini, we're in a unique position to prove to the world that freedom works, that people with different domestic policies can work together if liberty is threatened.

I've enjoyed the meetings today, and I thank you for honoring us with this visit. Now, may I ask all of you to join me in a toast to President Pertini and to the Italian people.

Note: President Reagan spoke at approximately 9:39 p.m. in the State Dining Room at the White House. President Pertini responded in Italian. His toast was not included in the transcript released by the Office of the Press Secretary.

Proclamation 4915—National Defense Transportation Day and National Transportation Week, 1982

March 25, 1982

By the President of the United States of America

A Proclamation

Transportation is essential to the development, defense, and enjoyment of our country. Pacing the evolution of our nation, transportation keeps America moving, producing, and growing.

Our earliest settlements flourished on the banks of our river systems—our first avenues of transportation that serve us still. Following trails blazed by the pioneers traveling west, the Interstate Highways remind us of the great strides we have taken in transportation.

Completion of the transcontinental railroad in 1869 ushered in a new era of transportation. Steel tracks stretched across the country to open the west, link our seacoasts and strengthen American commerce.

From its humble beginnings at Kitty Hawk, the U.S. aviation industry has grown to include a vast network of airports and commercial and private aircraft that fly millions of people and an ever-increasing amount of cargo.

As our cities grew, transit systems developed to provide people with affordable and convenient transportation. This century brought the automobile, truck, intercity bus, and an expanded road system that includes thousands of miles of Interstate Highways.

The American maritime industry connects the inland and coastal ports of the United States with port cities around the globe and transports U.S. agricultural, mining, and industrial products to foreign shores.

Each of these elements of our transportation system also contributes to a vital concern—our national defense. The great capacity of our system to move supplies and to transport men and equipment in times of emergency is a cornerstone of our defense. It allows our nation to respond rapidly and in force to threats to our security anywhere in the world.

To recognize the critical importance of our transportation system and to honor the millions of Americans who build, operate, maintain, and safeguard this vital network, we designate one week each year as National Transportation Week.

By joint resolution, the Congress on May 16, 1957, requested the President to proclaim the third Friday in each May as National Defense Transportation Day, and by joint resolution of May 14, 1962, requested the President to designate the week in which that Friday falls as National Transportation Week.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate Friday, May 21, 1982, as National Defense Transportation Day, and the week beginning May 16, 1982, as National Transportation Week.

In Witness Whereof, I have hereunto set my hand this 25th day of March, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 11:34 a.m., March 26, 1982*]

Note: The text of the proclamation was released by the Office of the Press Secretary on March 26.

Remarks at a White House Luncheon for Black Clergymen

March 26, 1982

The President. I'm going to keep you from eating for a few minutes just here, before we serve. I've been an after-lunch and after-dinner speaker so many times that I thought for a change I might be a before-lunch speaker.

But, good afternoon and welcome to the White House. It's a great pleasure, and I'm happy to have this opportunity to speak together with you. In Mark, chapter three, there's a verse that's associated with Abraham Lincoln—that a house divided against itself cannot stand. Divisions among the American people have been a concern of many Presidents, not just President Lincoln. Understanding there's some concern in the black community about this administration, I thought it would be helpful to break bread and talk about it.

If I believed some of the things that I've heard and read about this administration's program, I'd be concerned, too. [*Laughter*] We've been accused of just about everything. But the accusation, seriously, that bothers me the most is the charge that we don't care about the poor and the disadvantaged. And it bothers me because it isn't true.

When I was elected, our country was facing a major economic crisis. Inflation, running at 14 percent, was destroying people's savings and brutally attacking the elderly and others on fixed incomes. At the same time, unemployment had reached just about 8 million. The prime interest rate was 21 percent, destroying the dream of home ownership for everyone but a very select few. We couldn't permit this to go on. If inflation had kept running at the rate it was before the 1980 election rather than the rate that we've achieved in the last 6 months, a family of four on a fixed income of $15,000 would be $994 poorer in purchasing power than they are today. I don't have to tell you what an extra $994 means to people of that income, or anyone else for that matter.

And contrary to popular perception, we've brought down interest rates five points already and more progress is expected. Unemployment remains too high; there is no question about that. It was too high when I entered office. But I can assure you we're doing our level best to create a revived economy that will mean more jobs and more opportunity for all Americans.

I don't think anyone in this room quarrels with the goal of a healthy economy. Yet some would have you believe that we've attacked the poor in order to accomplish our goals. This administration has been criticized, for example, for reducing a job-training program in this time of great unemployment from $3.2 billion to—in the budget we've requested for '83—$1.8 billion. Well, yes, we did that. But did we reduce needed job-training in this time of unemployment? Out of that $3.2 billion program, only $592 million went for actual job training. Out of our $1.8 billion program, $1⅓ billion will actually go for job training. It seems that in the previous program, there was a certain amount of administrative overhead. [*Laughter*]

But many of you are aware that we've proposed a 14-percent increase in direct spending for traditionally black colleges in the 1983 budget over what was spent in 1982. Similarly, we've budgeted increases for Head Start, social security, Medicaid, Medicare, and other safety net programs.

When people complain about budget cuts, what they're often referring to is a cut in the rate of *increase* that had been planned for some social programs. The fact is that overall social spending is higher this year than it has ever been, and it will be higher next year than it is this year.

But let's admit one thing: It's necessary to get control of the cost of some of these spending programs, because some of them were too top heavy with bureaucracy. Some well-meaning programs robbed recipients of their dignity, trapped them into a dependency that left them with idle time, less in self-respect, and little prospect of a better future.

Now, this is not a white or a black issue; it's a basic human issue of how a free government should treat its citizens of all races. And even with the best of intentions, many of the old programs failed millions of our citizens. You know that and I know that. And the time has come to try something new.

Just a few days ago, I sent the Congress enterprise zone legislation which provides powerful incentives for job-producing businesses to locate in the economically blighted areas. We want to make it profitable for business to provide opportunity to some of this country's most deprived citizens. If this experiment works, it can provide a blueprint for future projects all across America.

Yes, we're trying new methods, and when that happens people sometimes get nervous. But there was much more to fear from standing still, as overgrown government collapsed under its own weight in runaway taxes.

Inflation and interest rates undermine the national economy. I honestly believe it's better to create jobs by restoring the economy than to provide handouts. And I believe a majority of Americans of all races agree. Nothing will be better for our people and for a healthy economy than that.

Now, this doesn't mean that we shouldn't be concerned about the desperate condition of the less fortunate. I'm aware that as members of the black clergy, you are in the frontline providing help for those who need it most. You represent a noble heritage. Black churches started colleges when the doors of learning in other colleges were closed. And black churches provided a place for the elderly, care for the sick, and counseling for the troubled when there was just no other way.

I know this, and I say it sincerely: Praise

God for all that you've done and all that you continue to do. And today, whatever the government does, we must build upon the spirit that you represent.

I believe that America's churches, white and black, have an important role to play in the life of this nation. Our Savior said, "inasmuch as ye have done it unto one of the least of these, my brethren, you have done it unto me." Well, too many churches are Sunday morning churches and not seven-day-a-week churches.

Guests. Amen!

The President. I believe the black clergy can lead the way. You've already shown, with faith and hard work, how much can be accomplished. And I hope your example will teach other churches about their potential.

Now, this isn't to suggest that charity can replace all government programs. But wouldn't it be better for the human spirit and for the soul of this nation to encourage people to accept more responsibility to care for one another, rather than leaving those tasks to paid bureaucrats?

Guests. Amen!

The President. I am confident the American people are capable of great things. Private citizens may not solve all the problems, but each one of us can do something. You know the joy of service to others or you wouldn't be here. There's an old hymn that says it all: "If I can help somebody as I pass along, if I can cheer somebody with a word of song, if I can show somebody where he's traveling wrong, then my living will not be in vain."

I hope that this visit will help us understand each other a little better. I've long subscribed to a belief that a lot of the ills of the world will disappear when we talk to each other instead of about each other.

And so, I'm happy that you're here. I need your help. We're going to eat now, and then I'm going to come back and we'll have a dialog instead of more monolog from me.

Note: The President spoke at 12:05 p.m. in the State Dining Room at the White House. Following the luncheon, the President held a question-and-answer session with the clergymen.

Appointment of Rita Di Martino as Alternate United States Representative on the Executive Board of the United Nations Children's Fund

March 26, 1982

The President today announced his intention to appoint Rita Di Martino to be Alternate Representative of the United States of America on the Executive Board of the United Nations Children's Fund. She would succeed George I. Lythcott.

She is presently district manager, public relations, American Telephone and Telegraph Co. She was senior business consultant for the New York State Department of Commerce in 1974–1978. She was with Thomas McGrath and Associates, Inc., in New York City in 1968–1974.

She graduated from Richmond College (B.A., 1974) and Long Island University (M.P.A., 1977). She has three children and resides in Staten Island, New York. She was born March 7, 1937.

Appointment of Three Members of the Architectural and Transportation Barriers Compliance Board

March 26, 1982

The President today announced his intention to appoint the following individuals to be members of the Architectural and Transportation Barriers Compliance Board for terms expiring December 3, 1984.

Scott Moore Duncan would succeed Patrick G. Casey. He is currently serving as president of Scott Duncan and Co., a public relations firm in Houston, Tex. He graduated from the University of Houston (B.A., 1978). Mr. Duncan resides in Houston. He was born April 27, 1951, in Harlingen, Tex.

Mary Alice Ford would succeed David S. Cruz-Velez. She is currently serving as a State representative in Oregon. She graduated from Stanford University. She has three children and resides in Portland, Oreg. She was born April 23, 1935.

Charles R. Hauser would succeed Walter Hope Richter. He is currently president of Hauser Associates, a design consulting firm in Atlanta, Ga. Mr. Hauser attended Washington University School of Architecture and graduated from Rhode Island School of Design in 1964. He is married, has three children, and resides in Atlanta, Ga. He was born February 17, 1941.

Remarks at the Legislative Conference of the National Association of Realtors

March 29, 1982

Good morning, and thank you for your very warm welcome. And I can tell you that up until now, it was a typical Monday morning. [*Laughter*]

It's sobering to be among you today, among people whose livelihood is the American dream. Your business is the heart and hope of American life. The dark days that you are in reflect the pain of the unrealized hopes, the sacrifice, and the struggling of the rest of America.

A year ago when members of your executive committee met with me at the White House, we shared our hopes for reducing the growth of government spending. Your 2-percent solution proposal was considered carefully in the design of our program, and with your help, we were able to convince the Congress to make that program the law of the land. I thank you for your hard work and ask for even more as we continue our struggle to reduce the size and appetite of the Federal Government.

You are the professionals the rest of us turn to—not only to buy and sell our homes but, increasingly, to help us find ways to afford them. You deal with America's families every hour of your working day—young couples anxious to make a new start in life, families moving for new opportunities, ones that need space, ones that now need less space, and elderly couples looking for a place to retire.

But the dream of ownership, home ownership that is your stock-in-trade, has turned into a nightmare—not suddenly, not overnight, but after a decade or more of economic abuse. After years of fiscal blundering in Washington, after the big spending, big government policies of the past brought our national economy to the brink of disaster, home ownership has become an impossible dream now for too many of our people.

In America, private ownership has been the bedrock of our social system. But through the values of neighborhood, work, and family that such ownership encourages—though they're necessary to our future health and well-being today—too many American families can no longer afford the price of an average new home.

The typical monthly payment on a typical American home more than doubled between 1977 and 1980. Something has gone very wrong. For the good of our country and for the sake of our children, something must be done to make it right. And if you're willing to help, and I believe you are, we in this administration intend to do something about it.

We will not look the other way as the rock upon which we have built this society continues to crumble. We will work to restore health to our ailing housing industry, and in so doing, help to restore health to our national economy.

You're not asking the Federal Government for multi-billion dollar bailout schemes. You recognize, as I do, that budget-busting bailouts will only aggravate the interest rate problem—the underlying problem in the housing industry.

On my direction, Secretary Pierce and a Cabinet-level task force have developed a plan for short-term relief of the housing industry. This morning, I'm pleased to announce a series of several early actions that we will take in response to their findings.

First, changes will be undertaken regarding the mortgage revenue bond program to loosen the arbitrage restriction and broaden our definitions of distressed areas. And since the basic program is already in place, we can move quickly. These changes will make it possible for State agencies to provide mortgage funds for 50,000 more homebuyers at lower cost.

Second, further action is being taken under the Employment Retirement Income Security Act of 1974, the act which regulates pension plans. Within 30 to 60 days, the Department of Labor will have completed action to remove barriers, within the limits of fiduciary responsibility, to free a flow of critically needed funds for housing from pension funds.

Today, in excess of $500 billion dollars are invested by pension funds, and that figure is expected to grow to some $3 trillion by 1995. Of that amount, only 10 percent is currently invested in mortgages. The increase in pension fund investment in mortgages will be determined by the pension plans themselves, both union and private pensions. These changes are not intended to water down basic ERISA investment protections but to demonstrate our commitment to eliminating barriers and unlocking important new doors to broader investment in the housing market.

Now, third, we're easing existing guidelines to expand the number of potential homebuyers qualifying for FHA [Federal Housing Administration] mortgage loans. And this action will be of particular benefit to those purchasing their first homes, such as lower-cost condominiums, and will allow relatives to assist young people in the down payment.

Now, fourth, we're taking action to remove restrictions on "controlled business." Today, real estate brokers, among others, are limited in ways that they can provide services to homebuyers. As a result of our actions, real estate firms will be free to establish subsidiaries to provide additional services, like title insurance, which are necessary to complete the purchase of a home.

Fifth, we're also taking action to speed the processing of mortgages to encourage the private sector to take over the basic processing of loan applications.

And while we're taking these short-term actions, we're looking at the long-term as well. Last June I created a housing commission to review the entire range of housing policy. Its report is due within the next 5 weeks. And today, I'm establishing a working group of the Cabinet Council for Economic Affairs, chaired by Secretary Pierce, to bridge our short-term measures and the structural reform proposals of our housing commission. Formation of the working group now will ensure prompt action to rejuvenate housing.

Let me state, categorically, that for this administration, housing is one of our highest social priorities. Our policies for this industry are based on the essential right to private property. And in private property, nothing is more important than home ownership. I also want to state my firm, personal commitment to preservation of the homeowner mortgage tax reduction [deduction][1] and maintenance of the important roles of FHA and GINNIE MAE [Government National Mortgage Association]. You have my pledge that this administration will take no precipitous action. Our actions will be measured against the ability of the private sector to bear more responsibility in home financing.

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[1] *White House correction.*

Homeownership creates incentives for people to save and invest—a unique stabilizing force in our democratic system. Unfortunately, years of inflation and high interest rates have put today's housing industry in transition and crisis. Consumers can't buy; sellers can't sell; and builders can't build. Interest rates have come down from their dizzying heights, but they have not come down enough. Recent gains in controlling inflation, in the savings rate, in tax incentives, and in budget reductions will continue to push them downward, but the only hope for long-term improvement in interest rates is for the Congress to join me in a bipartisan effort to cut spending.

We must reduce these intolerable budget deficits that have haunted us for so many years. We must all realize that our economic problems and the problems of your industry are neither Republican nor Democrat. They hurt us all. They're the painful consequences of a spending addiction that has mushroomed out of control—consequences inflicted on all of our citizens, in every region, in every station, and of every age. We will not pit party against party, State against State, or class against class in the demagoguery used by some of our critics. Those who would lead our people must recognize that we're all Americans and that our collective fate must rise or fall as one nation and one people. Our solutions must be fair and compassionate—and they must be bipartisan.

Now, I have no quarrel with those who cry out every evening on the network news against the size of our projected deficits. I abhor them, too. What I don't understand is how many of those same people can then retreat from the spotlight to vote in some congressional committee to spend even more. How can they carp about deficits in one breath, and vote to make them bigger in the next? They're part of the problem, not the solution.

I want with all my heart to balance the budget and hold open the door for discussion with the Congress. We must put aside our political differences if we're ever to set our economy to rights. In the array of choices before us, however, there are three areas in which there must be no retreat on fundamentals—on fundamentals: the ability of this nation to maintain a strong defense, relief for the weary and overburdened American taxpayer, and reduction in the exorbitant growth of Federal spending.

Attempts to saddle this administration with the blame for economic problems long-in-the-making only sink our economy deeper in the quagmire of partisan debate. And they don't fool anyone, either. The American people don't believe it and never will. This administration holds no patent on recession. We didn't invent sky-high interest rates and inflation or the tragedy of unemployment. Those problems were in place long before we took office. They were the result of something that was called "the new economics"—about 20 years ago they called it that.

In 1980 alone, no less than three different national economic policies were tried. Our economy was jerked in one direction after another in a vain effort to trim sails to each change in the political breeze. Well, I believe we have in place a solid program for economic recovery, and it's going to do the job. With your help and with a bipartisan coalition in the Congress, we have cut the peoples' taxes, held down government spending, cut the growth of regulations, and urged the Federal Reserve to maintain a slow and steady growth in our money supply. Our programs will encourage saving and investment and provide incentive for our people to work harder, produce more, and expand our economy.

It's true that the budget we've proposed includes deficits, but let me reassure you, I have no intention of giving up on balancing the budget. I have given no ground in my belief that government deficits, spending more than we take in, are a plague on our economy. I am open to any and all suggestions to reduce the size of the Federal deficit in a way that does not endanger our freedom.

But let us not be naive. Just cutting the peoples' taxes in October did not cause the recession in July. Just as reducing their taxes by 1.25 percent suddenly did not create our trillion-dollar debt, neither will raising taxes on working Americans solve our spending problems.

We must learn from the mistakes of the past. Government doesn't tax money to get its needs, it taxes to get money it wants. Big government has a way of spending all the money it can get its hands on, and then some. And in the last 10 years, America's taxes have gone up by more than 200 percent, and we still had the largest string of deficits in our history.

Not only does this excessive taxation put a ball and chain around our economy, it simply does not solve our spending problem. Federal programs have been growing like Topsy. In the last 15 years, the cost of food stamps has gone up 16,000 percent. Now, I've said that number before, but I think you have to pause to really take it in. Medicaid and Medicare have gone up by more than 500 percent in the last 10 years. We don't have a trillion-dollar debt because we haven't taxed enough; we have a trillion-dollar debt because we spend too much.

Once you realize the staggering rate at which government programs have been growing and the reckless way it has been spending, our proposals to cut the rate of increase appear in their true light—as a moderate, necessary remedy to a serious, potentially fatal economic illness.

Our historic tax cuts last year didn't cut our revenues. The U.S. Treasury will continue taking in more money every year than the year before. In 1981, personal taxes actually went up by about $41 billion. If we were to repeal the so-called 1983 tax cut and our indexing provision, the tax bill for the average working family would increase by hundreds of dollars per year. Our tax cuts only partially offset the historic tax increases that are already on schedule.

In the same way, we've never proposed reducing the level of Federal spending. We have simply proposed controlling the rate by which it will grow.

Let me give you a few examples of the level of human services that we're still providing in the 1983 budget, while everyone is screaming that we're throwing people out in the snow to die.

—About 3.4 million American households will receive subsidized housing assistance at the beginning of 1983. By the end of 1985, under our proposals, 400,000 more households will be added to the list.

—Nearly 7 million separate loans or awards will be available for students in higher education through Federal assistance programs. Since the college-level population numbers only slightly more than 11 million, that means that better than one out of every two students has the opportunity for assistance. The 1983 budget provides more than $12 billion in total tuition support, nearly three times the level available just as recently as 1977.

—The Federal Government will subsidize approximately 95 million meals per day, or 14 percent of all the meals served in the United States.

—Through Medicare and Medicaid, the Federal Government will pay for the medical care of 99 percent of those Americans who are over age 65, and a total of 20 percent of our population—approximately 47 million aged, disabled, and needy people.

—Twenty-eight percent of all Federal spending will go to the elderly—an average of $7,850 per senior citizen in payments and service.

—About $2.8 billion will be spent on training and employment programs for almost 1 million low-income people, nearly 90 percent of whom will be below the age of 25 or recipients of Aid to Families with Dependent Children.

These examples clearly demonstrate that we in this administration are not turning our backs on America's needy. There's no question that we must protect those who are truly needy, care for those who are sick, feed those who are hungry, and shelter those who are cold. And we must build a better economy that provides a job for every American who wants one.

But some of our leaders seem to have forgotten where prosperity comes from. America's abundance was not a gift from government or anyone else. Free enterprise, not government, is the source from which our blessings flow, and we in this administration intend to restore it.

Our program has already begun to work.

After unprecedented years of double-digit inflation, we ended 1981 with inflation measured for that past year at 8.9 percent. In the last 5 months, it has been down to 4½ percent. We have begun to tame the inflation monster.

Now, let me put those gains into a more human context. If inflation had kept running at the rate it was before the 1980 election rather than at the rate we've achieved in the last 6 months, a family of four on a fixed income of $15,000 would be $994 poorer in purchasing power than they are today.

The decline in the inflation rate and new incentives for saving have strong implications for future prosperity and financing the budget deficit. We project that Federal borrowing in 1983 and 1984 will be several times less than the total private savings pool, and we believe that proportion to be a direct result of the tax cuts. We expect $260 billion more in private savings by 1984 than in 1981. Private savings will far outweigh the projected increases in the deficit.

These economic gains are early harbingers of recovery, signs that have strong implications for future prosperity. And the return of American prosperity is the most compassionate program anyone can offer.

For the sake of the young couple who wants to buy their first home but can't afford today's interest rates, we've designed an economic program geared to a healthier economy that will have lower interest rates and make the dream of their own home come true.

For the sake of the automobile workers who have just volunteered to take unprecedented pay cuts in order to keep their jobs, we're bringing down the inflation that would have cut their real incomes even more, further threatening the tenuous security for which they've sacrificed.

For those who are out of work and looking for jobs, we're cutting the excessive taxing and spending to open the way to more productivity and more employment. Our whole program is geared to generating new jobs and new opportunities for all of our citizens.

And for the sake of our elderly, pensioners, and senior citizens trapped by inflation, we have finally begun to control the cost of living. Last month, for the first time in 6 years, the Producer Price Index actually declined. I don't mean the rate of increase went down, I mean there was no increase—there was an actual decrease.

There are no sugar pill remedies for serious illnesses. The damage of a generation of economic abuse cannot be erased overnight. But there is a cure. I believe the best hope for Americans—and that includes those of you in the housing industry—is the sustained recovery of our economy, continued low inflation, declining interest rates, increased employment, and a rise in the real income of our people. But we can only work this cure if we hold firm to the recovery program now in place.

In the words of Thomas Paine: These are times that try men's souls. We need more than summer soldiers and sunshine patriots. If we believe in principles of free enterprise that made our country great, we must stand up for them again, today. We must draw anew on the individual strength, ingenuity, and vision that built America. But our gaze is not set on the past; it's firmly fixed on tomorrow. We must not mortgage our children's future to pay for the mistakes of today. The choice before our generation is grave but clear: We must either face and solve our problems now or surrender to them forever.

We're not the only people at the crossroads. For many, the requirement of courage and sacrifice is far greater. In Poland, where citizens must meet in secret to resist military tyranny, courageous workers still struggle underground. They've recently published a plea for continued resistance. It goes, "so that our children do not have to be ashamed of us," they said, so that their children "will have a chance to grow up as free and courageous people."

Well, you and I are ahead of them. We already enjoy that freedom. It's our task to preserve it for our children.

Join us in our effort to renew our way of life. Stay with us, as I'm sure you will, as we pass through this dark corner in time. In your communities, and tomorrow in the Congress, spread the word that you have faith in these programs, that together we can sustain the courage and the patience of our people, and together we can restore the health of our nation.

Thank you, and God bless you.

Note: The President spoke at 10:56 a.m. at the Washington Hilton Hotel.

Prior to his departure for the hotel, the President met in the Oval Office with the executive branch of the association.

Appointment of Three Members of the Peace Corps Advisory Council
March 29, 1982

The President today announced his intention to appoint the following individuals to be members of the Peace Corps Advisory Council:

William Kent Sadleir is executive vice president of Standard Energy Corp., Salt Lake City, Utah. Previously he was legislative assistant to Representative Dan Marriott (R-Utah) in 1979–80, with specific assignment to the Energy and Environment, and Mines and Mining Subcommittee of the full Interior Committee. He attended Brigham Young University (B.S.) and George Washington University. He is married, has one child, and resides in Salt Lake City, Utah. He was born March 22, 1954. He would succeed Henry Morgenthau.

Harry Sokolov is an attorney in Beverly Hills, Calif. He is a member of the advisory board of the California State Park Foundation and is a member of the California Superior Court Arbitrators. He was a member of the California Park and Recreation Commission during the administration of Governor Ronald Reagan. Mr. Sokolov resides in Beverly Hills and was born December 23, 1914, in Baltimore, Md. He would succeed Yolanda Sanchez.

Estelle Manos Sotirhos is a homemaker in New York, N.Y. She has been active in the Republican Party on the local and national levels for many years. She serves on the Republican National Committee Heritage Groups Council and is a member of the New York County Republican Committee. Mrs. Sotirhos was liaison-consultant for the New York City Board of Education, in 1966–68 and a teacher of business education subjects at Woodbridge, New Jersey, High School in 1962–66. She attended Wilkes College (B.S.) and Seton Hall University (M.A.). She is married, has two children, and resides in New York, N.Y. She was born September 8, 1940, in Newark, N.J. She would succeed Robert Beckel.

Appointment of Two Members of the National Commission for Employment Policy
March 29, 1982

The President today announced his intention to appoint the following individuals to be members of the National Commission for Employment Policy:

Daniel Quinn Mills is professor of business administration, Harvard Graduate School of Business Administration. Previously he was professor, Sloan School of Management, MIT, in 1968–75; Chairman, Construction Industry Stabilization Committee, in 1973–74; consultant, Office of the Secretary of Labor, in 1968–77; and special assistant to the Director, Cost of Living Council, in 1973–74. He graduated from Ohio Wesleyan University (B.A., 1963) and Harvard University (M.A., 1965; Ph. D., 1968). He is married, has two children, and resides in Winchester, Mass. He was born November 24, 1941, in Houston, Tex. He would succeed Julius B. Thrower.

Norma Pace is senior vice president of the American Paper Institute in New York, N.Y. Previously she was vice president, Lionel D. Edie & Co., in 1971–73; and president, United States Economics Corp., in 1944–70. She served as a member of the Economic Advisory Board of

Columbia University Graduate School of Business in 1979–80. She attended Hunter College (B.A.) and Columbia University. She is married and resides in Lakeville, Conn. She was born September 20, 1921, in New York, N.Y. She would succeed Patsy L. Fryman.

Statement by Deputy Press Secretary Speakes on United States Antarctic Policy

March 29, 1982

The United States has significant political, security, economic, environmental, and scientific interests in Antarctica. These are reflected in the Antarctic Treaty of 1959. The system established by that treaty has permitted its parties, who maintain different positions concerning claims to territorial sovereignty in Antarctica, to work together to further scientific research and to ensure that Antarctica does not become the scene or object of international discord.

President Reagan has affirmed the United States commitment to a leadership role in Antarctica, both in the conduct of scientific research on and around the continent and in the system of international cooperation established pursuant to the Antarctic Treaty. Following review of a study of U.S. interests in Antarctica prepared by the interagency Antarctic Policy Group, the President has decided that:

—The United States Antarctic Program shall be maintained at a level providing an active and influential presence in Antarctica, designed to support the range of U.S. Antarctic interests.

—This presence shall include the conduct of scientific activities in major disciplines, year-round occupation of the South Pole and two coastal stations, and availability of related necessary logistics support.

—Every effort shall be made to manage the program in a manner that maximizes cost-effectiveness and return on investment.

The President also decided that the National Science Foundation will continue to budget for and manage the entire U.S. Program in Antarctica, including logistic support activities, so that the program may be managed as a single package. The U.S. Antarctic Program would continue to draw upon logistic support capabilities of other government agencies, including the Departments of Defense and Transportation, on a cost-reimbursable basis.

In another development of direct importance to U.S. Antarctic policy, the United States has ratified the Convention on the Conservation of Antarctic Marine Living Resources. This new agreement will establish international mechanisms and create legal obligations necessary for the protection and conservation of the marine living resources found in the waters surrounding Antarctica. It was adopted at a diplomatic conference in Australia in May 1980. The United States, along with the other Consultative Parties, signed the Convention in September 1980.* Last December the Senate gave its advice and consent to ratification, and President Reagan signed the instrument of ratification on February 2. That instrument was conveyed to the Government of Australia, the depositary government, on February 18.

The U.S. ratification is the seventh of the eight necessary to bring the Convention into force. The Convention is expected to enter into force within the next few months, and the first meetings of the machinery established by the Convention are expected in May and June of this year.

The significance of this Convention lies not only in its environmental and resource management provisions and objectives; it also represents an important example of international cooperation among the Consultative Parties of the Antarctic Treaty.

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* The other 13 Antarctic Treaty Consultative Parties include Argentina, Australia, Belgium, Chile, France, the Federal Republic of Germany, Japan, New Zealand, Norway, Poland, South Africa, the U.S.S.R., and the U.K. The German Democratic Republic also signed the Convention.

Remarks by Telephone to *Columbia* Astronauts Following Completion of the Third Flight of the Space Shuttle

March 30, 1982

The President. Hello.

Colonel Lousma. Good afternoon, sir. This is Colonel Lousma, sir, and Colonel Fullerton on the line, sir.

Colonel Fullerton. How do you do, sir?

The President. Colonel Lousma, Colonel Fullerton, don't ask me how I do—how are you feeling?

Colonel Lousma. We're just fine, sir. We just came booming over your ranch at about mach 13.

The President. I know, I heard you say that. We were watching you come in for that perfect landing. Then everybody in America started breathing again when you made that landing.

But I wanted to ask you, when you went over the ranch there, I've been worried about one of the horses. How did they look?

Colonel Fullerton. Well, sir, we saw a few running around in the pasture there, but they looked up and just went on grazing when we went by.

The President. Well, I can't tell you how thrilled I am sure everyone in this country is about what has happened. And we were all watching to see you come in, and really, our thoughts and prayers have been with you every second that you've been up there. And again, just our heartfelt congratulations and our thanks for all that you've done and all that it means to America.

Colonel Fullerton. It's our thanks to America. It's been a privilege and an honor for us to be involved. This is the only country that this can really happen.

The President. Well, I think a lot of us feel that way.

Colonel Lousma. I hope that all Americans everywhere consider the *Columbia* their spacecraft and these two guys that happened to have the great good fortune to have a ride in it. It's really a beautiful machine.

The President. Well, we feel that way. This is the third successful flight, and I think the very fact of the delay and then having to choose an alternate landing space has again contributed a great deal to the awareness of the flexibility and the potential that there is in that aircraft. And again we thank you all for being willing to do this.

Colonel Fullerton. Yes, sir. Thank you.

Colonel Lousma. It was all our pleasure, I assure you, every minute of it.

The President. Well, now go see your families, and God bless you.

Colonel Fullerton. Yes, sir. Same to you, sir. Thank you for calling, sir.

The President. A great pleasure. Goodby.

Reporter. Mr. President, any special thoughts on this anniversary of the assassination attempt?

The President. No, I realize it was a year ago. It seems a lot longer, and I feel fine.

Q. Some of your friends, sir, say that you have a feeling of—you need to hurry with your programs, feeling the mortality. Is that right?

Mr. Gergen.[1] Press conference tomorrow.

The President. Yeah, there's a press conference, but that question—because it ties in with this same question here. No, it's not so much from that, I think. And I remember the same feeling when I was a Governor, that government does seem to move so slowly and there is so much to be done that I think you'd have that feeling even without getting shot.

Q. Well, today's turning out a lot better than last March 30th, isn't it?

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[1] *David R. Gergen, Assistant to the President for Communications.*

The President. So far. [*Laughter*]

Mr. Gergen. Thank you very much.

Q. Do you feel good?

The President. Great, yes. I've really even never felt better.

Q. Do you feel as good as you look?

The President. How good do I look? [*Laughter*]

Q. Pretty good, pretty good.

The President. Thank you.

Q. I've seen worse. I have seen a lot worse.

Note: The President spoke at 12:17 p.m. from the Oval Office to astronauts Col. Jack R. Lousma and Col. C. Gordon Fullerton following their landing at White Sands Missile Range, N. Mex.

Executive Order 12354—Amending the Generalized System of Preferences

March 30, 1982

By virtue of the authority vested in me by the Constitution and statutes of the United States of America, including Title V of the Trade Act of 1974 (88 Stat. 2066, 19 U.S.C. 2461 *et seq.*), as amended, section 604 of the Trade Act of 1974 (88 Stat. 2073, 19 U.S.C. 2483), and section 503(a)(2)(A) of the Trade Agreements Act of 1979 (93 Stat. 251), and as President of the United States of America, in order to modify, as provided by sections 504(a) and (c) of the Trade Act of 1974 (88 Stat. 2070, 19 U.S.C. 2464(a) and (c)), the limitations on preferential treatment for eligible articles from countries designated as beneficiary developing countries, to adjust the original designation of eligible articles after taking into account information and advice received in fulfillment of sections 503(a) and 131–134 of the Trade Act of 1974 (88 Stat. 2069, 19 U.S.C. 2463; 88 Stat. 1994, 19 U.S.C. 2151 *et seq.*), to modify the designations of beneficiary developing countries in accord with my notification to the Congress of March 18, 1982, and in accord with technical changes in the identification of certain beneficiary developing countries, it is hereby ordered as follows:

Section 1. In order to subdivide and amend the nomenclature of existing items for purposes of the Generalized System of Preferences (GSP), the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202) are modified as provided in Annex I, attached hereto and made a part hereof.

Sec. 2. Annex II of Executive Order No. 11888 of November 24, 1975, as amended, listing articles that are eligible for benefits of the GSP when imported from any designated beneficiary developing country, is amended by substituting therefor the new Annex II attached hereto and made a part hereof.

Sec. 3. Annex III of Executive Order No. 11888, as amended, listing articles that are eligible for benefits of the GSP when imported from all designated beneficiary countries except those specified in General Headnote 3(c)(iii) of the TSUS, is amended by substituting therefor the new Annex III, attached hereto and made a part hereof.

Sec. 4. General Headnote 3(c)(iii) of the TSUS, listing articles that are eligible for benefits of the GSP except when imported from the beneficiary countries listed opposite those articles, is modified by substituting therefor the General Headnote 3(c)(iii) set forth in Annex IV, attached hereto and made a part hereof.

Sec. 5. In order to provide staged reductions in the rates of duty for those new TSUS items created by Annex I to this Order, Annex III to Presidential Proclamation 4707 of December 11, 1979, and Annex III to Presidential Proclamation 4768 of June 28, 1980, are amended by Annex V to this Order, attached hereto and made a part hereof.

Sec. 6. General Headnote 3(c)(i) of the TSUS listing the designated beneficiary developing countries for purposes of the GSP is modified as provided in Annex VI, attached hereto and made a part hereof.

Sec. 7. Whenever the column 1 rate of duty in the TSUS for any item specified in Annex I to this Order is reduced to the same level as, or to a lower level than, the corresponding rate of duty inserted in the column entitled "LDDC" by Annex I of this Order, the rate of duty in the column entitled "LDDC" for such item shall be deleted from the TSUS.

Sec. 8. Annexes III and IV of Presidential Proclamation 4707 of December 11, 1979, and Annexes II, III and IV of Presidential Proclamation 4768 of June 28, 1980, are superseded to the extent inconsistent with this Order.

Sec. 9. Unless otherwise specified, the amendments made by this Order shall be effective with respect to articles both: (1) imported on or after January 1, 1976, and (2) entered, or withdrawn from warehouse for consumption, on and after March 31, 1982.

RONALD REAGAN

The White House,
March 30, 1982.

[Filed with the Office of the Federal Register, 12:06 p.m., March 30, 1982]

Note: The annexes are printed in the Federal Register *of March 31, 1982.*

Appointment of 22 Members of the National Voluntary Service Advisory Council, and Designation of Temporary Chairman

March 30, 1982

The President today announced his intention to appoint the following individuals to be members of the National Voluntary Service Advisory Council. The President also intends to designate W. Clement Stone as Temporary Chairman.

Michael R. Blichasz is president of the Polish-American Congress and is employed by the Phillips Co., Philadelphia, Pa.

William H. Bowen is president of Dallas Business Capitol Corp., Dallas, Tex.

Jose M. Deetjen is vice president, Tax Administration and Counsel, Burbank, Calif.

Jennifer B. Dunn is chairman, Republican State Committee of Washington, Seattle, Wash.

Gordon Fitzgerald is a retired insurance executive in Fort Worth, Tex.

Edith Abigail Hoskins is administrative assistant, National League for Nursing, Atlanta, Ga.

Jane Pickens Hoving is founder and president, Tune-In, Inc., New York, N.Y.

Mary Elizabeth Irvin is a homemaker and Republican Party activist in Greensboro, N.C.

Elaine B. Jenkins is president, One America, Inc., Washington, D.C.

Samuel C. Johnson is chairman and chief executive officer, S.C. Johnson and Son, Inc., Racine, Wis.

Tom Kahn is assistant to the president of the AFL–CIO, Washington, D.C.

Leslie Lenkowsky is director of research, Smith Richardson Foundation, Inc., New York, N.Y.

J. Roderick MacArthur is director, the MacArthur Foundation, Niles, Ill.

Roy Pfautch is president of Civic Service (public affairs), St. Louis, Mo.

Joan H. Smith is second vice president of Association of Junior Leagues, Inc., Portland, Oreg.

John H. Staggers, Jr., is director, One Ministries, Washington, D.C.

W. Clement Stone is chairman, founder, president, and chief executive officer of Combined International Corp., Northbrook, Ill.

Walter N. Thayer is director, Dun & Bradstreet Co., Inc., New York, N.Y.

Tommy Thomas is owner, Tommy Thomas Chevrolet, Panama City, Fla.

Kenneth Y. Tomlinson is senior editor, Readers Digest, Pleasantville, N.Y.

C. William Verity, Jr., is chairman of the board, ARMCO, Middleton, Ohio.

Dorothy Vuksich is a homemaker in San Francisco, Calif.

Appointment of 12 Members of the National Advisory Council on Continuing Education

March 30, 1982

The President today announced his intention to appoint the following individuals to be members of the National Advisory Council on Continuing Education:

Robert C. Angel is president and chief executive officer, Japan Economic Institute of America, Washington, D.C. He was born September 13, 1943. He would succeed Frances M. Davin.

Richard O. Brinkman is president, Clark Technical College, Springfield, Ohio. He was born February 8, 1926. He would succeed Dagmar I. Celeste.

William Hughes Brockbank is chairman of the board, Pine Mountain Corp., Oakland, Calif. He was born June 27, 1915. He would succeed John B. Ervin.

Mary Fenske Buestrin is a private bookkeeper for various family real estate and investment partnerships. She was born August 9, 1939. She would succeed Leo Christopher Donahue.

Sylvia Bernstein Hermann is vice president, National Federation of Republican Women, and vice chairman, Maryland Republican State Central Committee. She was born March 2, 1914. She would succeed Rupert A. Trujillo.

Jack Allen Kinder is executive secretary, Missouri State Teachers Association, Columbia, Mo. He was born April 1, 1933. He would succeed William L. Blockstein.

David O. Martin is director of State governmental relations, Kimberly-Clark Corp., Neenah, Wis. He was born March 7, 1931. He would succeed James C. Summers.

Bonnie Blackman McClure is involved in community and Republican Party activities in Beverly Hills, Calif. She was born April 17, 1939. She would succeed Lowell R. Eklund.

Morris Hadley Mills is a member of the Indiana State Senate and is ranking member of the elementary and secondary education committee. He was born September 25, 1927. He would succeed Constance M. Carroll.

Elsie Frankfurt Pollock is president, Page Boy, Inc., Los Angeles, Calif. She was born July 22, 1919. She would succeed Charles J. O'Leary.

John H. Richert is president, College of Saint Mary, Omaha, Nebr. He was born March 12, 1941. He would succeed Rajendra Prasad.

Talmage Eugene Simpkins is executive director, AFL–CIO Maritime Committee, Washington, D.C. He was born September 27, 1927. He would succeed Constance Timberlake.

Letter to the Governing Revolutionary Junta of El Salvador on the Salvadoran Elections

March 31, 1982

Gentlemen:

On behalf of the people and Government of the United States of America, I congratulate the people and Government of El Salvador on your successful constituent assembly elections. The Salvadoran people have clearly repudiated violence and voiced their commitment to a democratic future.

Few nations have undertaken free elections under such difficult conditions. The people of the United States and their Government take this opportunity to express their support for the restoration of democracy in El Salvador, and to offer their admiration for this moving demonstration of the popular will.

Sincerely,

RONALD REAGAN

Message to the Congress Transmitting a Report on East-West Trade

March 31, 1982

To the Congress of the United States:

Pursuant to section 411(c) of the Trade Act of 1974, as amended (19 U.S.C. 2171 note), I hereby transmit the East-West Trade Report for the third quarter of 1981, covering trade relations between the United States and nonmarket economy countries.

Economic sanctions against the Soviet Union and Poland in response to the repression in Poland were imposed in December 1981. These political and economic measures affecting our relationship with these countries were designed to convey that we cannot and will not conduct "business as usual" with the perpetrators and those who aid and abet them. The annual East-West Trade Report for 1981 will cover these sanctions in greater detail.

RONALD REAGAN

The White House,
March 31, 1982.

Nomination of James Eugene Goodby for the Rank of Ambassador While Serving at the Strategic Arms Reduction Talks

March 31, 1982

The President today announced his intention to nominate James Eugene Goodby for the rank of Ambassador during his tenure of service as Vice Chairman, United States Delegation to the Strategic Arms Reductions Talks (START) and Department of State Representative. He would succeed Ralph Earle II.

Mr. Goodby served in the United States Air Force as second lieutenant in 1952–53. He began his government career in 1951 with the United States Army Corps of Engineers in Boston, Mass. He was foreign affairs specialist with the United States Atomic Energy Commission in 1954–59; foreign affairs officer in the Office of Special Assistant to the Secretary of State for Atomic Energy in 1960; Officer in Charge of Nuclear Test Ban Negotiations, U.S. Arms Control and Disarmament Agency, in 1961–63; member of the Policy Planning Council at the Department of State in 1963–67; political officer at the United States Mission to the European Communities in Brussels in 1967–69; Officer in Charge of Defense Policy Affairs, Bureau of European Affairs, Department of State, in 1969–71; Counselor for Political Affairs at the United States Mission to the North Atlantic Treaty Organization in Brussels in 1971–74; Deputy Director of the Bureau of Politico-Military Affairs in 1974–77; and Deputy Assistant Secretary of State for European Affairs in 1977–80.

Mr. Goodby graduated from Harvard College (A.B., 1951) and attended the University of Michigan (1951–52) and Harvard University (1953–54). He was born December 20, 1929, in Providence, R.I.

Nomination of 16 Members of the National Advisory Council on Women's Educational Programs

March 31, 1982

The President today announced his intention to nominate the following individuals to be members of the National Advisory Council on Women's Educational Programs:

Mary Jo Arndt, 48, is president of the Illinois Federation of Republican Women. She resides in Lombard, Ill.

Marge Bodwell, 61, is a teacher at the North School in Alamogordo, N. Mex.

Betty Ann Gault Cordoba, 54, is a teacher in Woodland Hills, Calif.

Lilli K. Dollinger, 23, is director of communications, Student Government Association, Texas A&M University, College Station, Tex.

Gilda Bojorquez Gjurich, 55, is secretary-treasurer and partner, Robert Parada Construction Co., Alhambra, Calif.

Marcilyn D. Leier, 53, is involved in community and Republican Party activities in Roseville, Minn.

Judith D. Moss, 36, is administrative attorney with the firm of Barrett & Barrett, Columbus, Ohio.

Marie Sheehan Muhler, 44, is minority whip of the New Jersey General Assembly. She resides in Marlboro, N.J.

Susan E. Phillips, 36, is director, research and publications, the Conservative Caucus, Vienna, Va.

Irene Renee Robinson, 59, is involved in community and Republican Party activities in Washington, D.C.

Judy F. Rolfe, 28, is vice president, Rolfe and Wood, Inc., Bozeman, Mont.

Eleanor Knee Rooks, 54, is a former teacher and is currently involved in community and Republican Party activities in Brownsville, Tenn.

Eunice S. Thomas, 52, is a teacher at Winterfield Elementary School, Columbus, Ga.

Virginia Gillham Tinsley, 63, is a member, Tempe Union High School Board of Education, Tempe, Ariz.

Maria Pornaby Shuhi, 60, is a teacher at Carver Middle School, Del Ray Beach, Fla.

Helen J. Valerio, 43, is executive vice president, Papa Gino's of America, Inc., Needham Heights, Mass.

Note: Miss Phillips' nomination, which was submitted to the Senate on April 5, was withdrawn by the President on June 17.

The President's News Conference

March 31, 1982

The President. I have a statement which I shall read for the sound media that I know has been distributed.

Nuclear Arms Reductions

Twice in my lifetime I've seen the world plunged blindly into global wars that inflicted untold suffering upon millions of innocent people. I share the determination of today's young people that such a tragedy, which would be rendered even more terrible by the monstrous inhumane weapons in the world's nuclear arsenals, must never happen again. My goal is to reduce nuclear weapons dramatically, assuring lasting peace and security.

Last November, I stressed our commitment to negotiate in good faith for the reduction of both nuclear and conventional weapons. I made a specific proposal to eliminate entirely the intermediate-range missiles. We remain committed to those goals.

In Geneva we've proposed a treaty with the Soviet Union which embodies our proposals. In Vienna, along with our allies, we're negotiating reductions of conventional forces in Europe. And here in Washington, we're completing preparations for talks with the Soviets on strategic weapons reductions.

We know all too well from past experience that negotiations with the Soviet

Union must be carefully prepared. We can't afford to repeat past mistakes—to arrive hastily at an arms control process that sends hopes soaring, only to end in dashed expectations.

Last week a distinguished group of Senators and Congressmen submitted resolutions to the Senate and House calling for major, verifiable reductions of U.S. and Soviet nuclear weapons to equal force levels. This is an important move in the right direction, and these points are essential elements of a truly effective arms control agreement—elements which are consistent with the views of this administration. I commend Senators Jackson and Warner and Congressman Carney and all those who joined with them in this important initiative.

I have and I will continue to seek realistic arms control agreements on nuclear and conventional forces. I want an agreement on strategic nuclear weapons that reduces the risk of war, lowers the level of armaments, and enhances global security. We can accept no less.

America's national security policy is based on enduring principles. Our leaders and our allies have long understood that the objective of our defense efforts has always been to deter conflict and reduce the risk of war, conventional or nuclear. Together with our partners and the Atlantic Alliance, every President in the postwar period has followed this strategy and it's worked. It has earned the overwhelming bipartisan support of the Congress and the country at large, and it has kept world peace.

Yesterday, with the successful completion of the *Columbia* space shuttle's latest mission, I think we were all reminded of the great things the human race can achieve when it harnesses its best minds and efforts to a positive goal. Both the United States and the Soviet Union have written proud chapters in the peaceful exploration of outer space. So, I invite the Soviet Union to join with us now to substantially reduce nuclear weapons and make an important breakthrough for lasting peace on Earth.

There have been four wars in my lifetime. I believe the people want to return to a level of civilized behavior we once knew. Most of all, they want peace, and so do I.

Helen [Helen Thomas, United Press International]?

Q. Mr. President, the experts say that the Russians are far ahead of us in some nuclear weaponry, and we are far ahead of them in terms of the Polaris missile and so forth. And we also have the capability of swift, massive retaliation against the Soviets. Under those circumstances, why don't we seek negotiations for a freeze now and carry on to reductions? That way we can halt the making of doomsday weapons and save billions to help poor people.

The President. Helen, I know that there are people that have tried to figure this out. The truth of the matter is that on balance, the Soviet Union does have a definite margin of superiority, enough so that there is risk and there is what I have called, as you all know, several times, "a window of vulnerability." And I think that a freeze would not only be disadvantageous—in fact, even dangerous to us with them in that position—but I believe that it would also militate against any negotiations for reduction. There would be no incentive for them, then, to meet with us and reduce.

Let me call your attention to what's going on in Geneva. They have 300 intermediate-range missiles with 900 warheads aimed at all of Western Europe, and that includes northern Africa and the Middle East. And there was no talk of any reduction of those weapons until our allies asked us to supply them with intermediate-range weapons as a deterrent and which would be placed in the countries of Western Europe. And then when I made my proposal last November, the Soviet Union is sitting down and talking with us on that.

If they're out ahead—we're behind, and we're asking them to cut down and join us in getting down to a lower level—there isn't much of an incentive.

Q. Well, are you saying that we are vulnerable now, right today, to a nuclear attack that we could not retaliate on?

The President. There would be possible because of some of our triad retaliation, but the Soviet's great edge is one in which they could absorb our retaliatory blow and hit us again.

Yes, Jim [James R. Gerstenzang, Associated Press].

Nuclear Warfare

Q. Mr. President, do you think that a nuclear war would be winnable or even survivable and under what conditions?

The President. I just have to say that I don't think there could be any winners. Everybody would be a loser if there's a nuclear war.

Yes, Larry [Laurence Barrett, Time, Inc.].

U.S.-Soviet Relations

Q. Mr. President, Leonid Brezhnev the other day implied that if the U.S. went ahead with the Pershing II missiles that—the ground-launched cruise missiles—that he would take some kind of retaliatory step. Did you interpret this as a threat? And if so, how are you responding to him in private, or how do you plan to respond to him?

The President. Well, I know that we're looking at all these various statements and so forth and analyzing them to see what they may mean. Frankly, I myself am inclined to believe that this is just part of the dialog that goes on and part of a kind of a propaganda campaign that is aimed at making them look like the peacemakers and as if we're the seekers of war. And that is completely contrary to fact.

Q. But, sir, he's implying—if I may follow up—that he would perhaps install nuclear weapons in this hemisphere. If that's the case, how would you respond?

The President. The only place that he could install them in this hemisphere would be in Cuba, which is his satellite now, although they're working up to where it might be Nicaragua—also considered that. But this would be in total violation, even though there have been other things we think are violations also in the 1962 agreement, at the time of the missile crisis. And then there are options open to us that I would prefer not to discuss, because, as you know, I don't like to discuss the things that we could or might or might not do.

Judy [Judy Woodruff, NBC News]?

Federal Budget

Q. Mr. President, even some of your closest Republican allies on Capitol Hill are calling on you now to show some flexibility in negotiating for a budget compromise, not only in defense spending but in social security and in other entitlement programs. Why aren't you accepting their advice?

The President. Well, I am listening, and I'm not inflexible and remaining a Great Stone Face, as they say, down here. Jim Baker's been up on the Hill now for 2 weeks listening and gathering the various views of what they're suggesting.

With regard to social security, I feel there that we have to point out that we now have a bipartisan commission—as a result of last year's arguments and debates—that is considering the entire matter of social security.

With regard to further cuts, I am open to hear and willing to hear any proposals. I think that the most important thing we can do in the present situation to benefit all the people who are suffering so in this recession is a further cut, a further reduction in Federal spending. And I'm open to any suggestions on that.

With regard to revenues or defense spending, I have to say that for one thing we're going to have a citizens task force whose first stop is going to be the Defense Department in an effort to find, as I'm sure in any area in government, we can find areas where management improvements can be made that will result in great savings.

The one thing that I have said is that we can't accept in the defense field some kind of a reduction that would set us back in the course we've taken to rebuild our defenses, in view of the Soviet superiority. But it is possible that there are things that can be done without hurting that.

Q. Just one quick followup. How far, exactly, have you authorized Jim Baker to go, and have you given him a deadline?

The President. I've authorized Jim to go up and listen and come back and tell me what they're proposing.

Yes, Godfrey [Godfrey Sperling, Jr., Christian Science Monitor].

The Nation's Economy

Q. During the Presidential campaign, your Presidential campaign, you asked an extremely effective question of the American people. And it went like this: "Are you better off today than you were 4 years ago?" So, it seems only fair to ask this question at this time. With high unemployment, high interest rates, an increasing number of business failures, and a generally bleak economy, are Americans really better off today than they were when you became President?

The President. Of course, you realize it would be fairer if they asked me that at the end of 4 years instead of 1. But let me just point out——

Q. [*Inaudible*]—to turn things around quickly?

The President. I don't think there's a single thing there—I mean, a single thing in which you could say one way or the other. For example, yes, unemployment has increased, because of the recession. But I would remind you, that we had almost as much—we had in the neighborhood of 8 million unemployed back then, before we came here. We had interest rates of 21½ percent. Well, they're 16. That's still too high, and it is those high interest rates that are delaying our coming out of this recession. We had 12.4 percent inflation. Inflation is now down and has for the last 5 months been running at only 4½ percent.

Now, let me just give you an example of what that rate of inflation means and what the entire 1981 decline that we brought about—because inflation started down before there was any recession, and I think we had something to do with that.

Take the average family of four that is living on the threshold of poverty, which we say, now, is $8,500-a-year income. That family now has $375 more in purchasing power with their $8,500 than they did at the rate of inflation in 1980 and leading up to the Inaugural in '81. So, when you say better or worse off, I think there are elements of better off. And probably the worst one is the penalty imposed with these high interest rates which, as I say, we have brought down some, but which have contributed to not only unemployment but the other tragedy of the small and the independent business people and the farmers, many of them, who have not been able to make it through this period.

But I think that we are bottoming out, and I believe that we're safe in saying that we think there's going to be an upturn in the second half of the year.

Ralph [Ralph Harris, Reuters]?

Poland

Q. Mr. President, what do you think of the latest situation in Poland, especially in the light of your statement a few weeks ago that if necessary you would take—you would impose more sanctions?

The President. Well, we're watching this. We have joined with our allies on a number of sanctions. We're working now with them with regard to the cutting off of credit to nations like that and to the Soviet Union, which we know is behind the whole Polish problem, at the same time that we're doing everything we can to try and help the Polish people without having it appear that their government is providing that help—some $55 million in grain and corn that was provided by us—other things that we've been trying to do through the Catholic Charities, and we're watching.

I think it's also necessary that they understand that there could be a carrot along with the stick if they'd straighten up and fly right.

Sam [Sam Donaldson, ABC News], and then I'm going to have to come back over this way. Yes.

El Salvador

Q. Mr. President, the right-wing parties in El Salvador taken together seem to have won the election there. Will we back any government that abandons the social reforms that are now underway there, and specifically, would we back a government headed by Major D'Aubuisson?

The President. Let me just say, we're watching this very carefully. I think that it would give us great difficulties if a government now appeared on the scene that totally turned away from the reforms that have been instituted. But I think right now—and before we begin inviting trouble or looking for that—we, all of us, should have been a little bit inspired by what took place there in that election.

This morning Senator Kassebaum, the Congressmen who were with her in the trip down there to be observers at the election have just told some things that ought to make us a little ashamed of ourselves and how much we take for granted the ability or the right to vote. They told of a woman standing in the line who was hit by a ricochet, a bullet ricochet—refused to leave the line to have her wound tended until she had voted.

They told of another woman who was personally, individually threatened with death by the guerrillas, and she told them—if she voted—and she told them, "You can kill me, you can kill my family, you can't kill us all." They turned out in the face of that in greater numbers than we did.

She said also that the attitude—and I wish more of this had been seen by Americans—she said that the people, whenever they saw them, the people there in those voting lines called out their gratitude to the United States for the fact that we have been helping them.

Now, they really showed that there is a real desire for democracy there, and I am therefore going to be optimistic about what happens and avoid a specific answer to your question.

Ann [Ann Compton, ABC News], did I miss you? Did you have your hand up a minute ago?

Balanced Budget Amendment

Q. I did indeed. Mr. President, you have failed to endorse a constitutional amendment to balance the budget. Can you ever support a constitutional amendment to balance the budget, considering that your proposals have no balanced budget and deficits well out into the out-years?

The President. Ann, oh my, yes, I can endorse the concept of that. As a matter of fact, I've talked about it many times and my belief that it is the answer to uncontrollable government spending.

Now, I won't go into the specifics of the particular proposal that is there, but the concept—and I am looking at that to see what it's going to contain, because I think that a balanced budget amendment must also carry with it a limitation on taxes. It must contain a limit so that in the future you couldn't just always have a balanced budget by simply sending the bill to the taxpayers for whatever the deficit might be.

Yes, ma'am.

Federal Assistance to Corporations

Q. Mr. President, in view of the very precarious position that many of our leading corporations are in, how do you look at the Chrysler type of bailout? And has your administration made any reserves for that, and how safe is the Federal deposit insurance company?

The President. The bailout—I lost a moment there.

Q. The Chrysler bailout like a few years ago. Under your predecessor, Chrysler asked for a huge grant from the taxpayers to save themselves, which was granted. But if other corporations—[*inaudible*]——

The President. Oh, oh, I see.

Q. ——how would you feel about this, and is there such a reserve?

The President. I have never been one that's overly supportive of major bailouts and so forth. Did you have a specific industry in mind? I know we have done this——

Q. Automobiles and the airline industry.

The President. I think that the things that we're trying to do—the tax breaks that we have put into our program and that are now in place, the regulatory relief that we're giving these industries, I believe, should be able to take care of their particular problems. There's been no approach to us as yet from those industries about any kind of bailout.

Lou [Lou Cannon, Washington Post]?

U.S.-Soviet Relations

Q. Mr. President, in your first press conference, you referred to the Soviet Union as having shown a pattern of, I believe you used the word "lying and cheating" over the years. Tonight you're calling upon a return to civilized conduct and a sustained negotiation on nuclear arms. Have you, in your 15 months in office, formed any different opinion than you came into office with about the Soviet Union? Are they more conciliatory than you thought they were?

The President. No, I don't think they've changed their habits. I think, however, they're in a more desperate situation than I had assumed that they were economically. Their great military buildup has—and at the expense of denial of consumer products, up to and including food for their people—has now left them on a very narrow edge, and that's why we're proposing to our allies a shut-off of credit with regard to the Polish and the Afghanistan situation.

Yes, Bill [Bill Plante, CBS News].

Spending for Social Programs

Q. Mr. President, you've said several times recently that the accusation that bothers you most is that you don't care about the poor and disadvantaged. You point out that spending on social programs hasn't really been cut, but the rate of increase slowed. And yet a number of studies, including one by the Congressional Budget Office, say that the poorest people will lose the most from last year's budget cuts, let alone the ones which have been proposed for this year.

Do you still feel, along with Mr. Carleson [1] of your administration, that the entitlement programs provide many billions of dollars of payments to persons who are not in true need?

The President. Well, this is the thing, Bill, that we've been trying to correct. And many of the special-interest groups who have various of these programs as their particular interest have been criticizing us and suggesting that we somehow have been cutting them all off. And what we've tried to point out is that where we have tried to get a handle on these programs is where people who don't have a legitimate reason or right to be beneficiaries should be removed from the roles.

Maybe this is a time—all the talk that's going around—to expose once and for all the fairy tale, the myth, that we somehow are, overall, cutting the government spending. The budget that we've submitted for 1983 will be $32 billion bigger than the budget for this year. $758 billion—and 43 cents of every one of those dollars—will be going in direct benefits to individuals, either in cash or in services. Now, in the John F. Kennedy first budget, only 27 cents went in such benefits to individuals; 46 cents of his budget, of every dollar, went to defense.

We're not gutting the programs for the needy. The government insured student loans were in—let's take the last budget of the preceding administration, 1980—were 1.4 billion. For our '83 budget we're asking 2.6 billion. The supplemental security income for the elderly poor and the blind was 6.5 billion; we're asking for 8.9 billion in our budget.

Our budget contains $55.8 billion in assistance to the poor. We're providing, as you've heard me say several times, 95 million meals a day, subsidizing rents for 10,200,000 people. We're job-training for a million of the young and the poor. The social security in 1980 was 122 billion; it'll be 175 billion in '83. Health care was 58 billion then; it will be 78 billion in 1973.

I think that sometimes people are jumping at a figure in some particular program and not looking to see—as, for example, in an editorial in the paper this morning that struck at us because they said that we had less money for vaccinations for children and therefore there was going to be more sickness and perhaps more child death. Well, what they didn't see was that we actually have more money in for that program than we've had for others.

In that same editorial, they criticized the women, infant and children, the nutrition program. And I'm sure at first glance they must have thought something had happened. It's been merged with another program and is in there at much greater money than it has ever had before.

Q. May I follow up, Mr. President? Your critics are saying that proportionally much greater amounts of money are coming from programs for people who really have no constituencies. Social security and other programs such as that have a large and voting constituency. But welfare programs, nutrition programs, food stamp programs have a much smaller constituency. Your critics charge that proportionally larger cuts are being made there. How do you answer that?

The President. Well, I would answer it by saying that social security, which over the—or social security—we haven't touched social security. Food stamps, over the last 15 years, increased 16,000 percent. And just recently we've been doing some investigating so that we can intelligently treat with a program of that kind. And we have found in the first investigation that 57 percent of the stores that were investigated are selling items for food stamps that are banned, that food stamps are—it's illegal to use food stamps to buy those things.

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[1] *Robert B. Carleson, Special Assistant to the President for Policy Development.*

Gary [Gary F. Schuster, Detroit News]?

Palestinian Autonomy

Q. Mr. President, do you think the recent clashes between the Israeli military and Palestinians on the West Bank will destroy progress toward the Palestinian autonomy?

The President. I'm hopeful that it won't, because I have the pledge of my friend Menachem Begin and of President Mubarak that they are going forward—and within the framework of the Camp David agreement—to resolve all these other problems. I'm hopeful that we will see more progress on these talks after April 25th, when the transfer of the Sinai comes.

Israel claims that some of the mayors that they are ousting there are mayors that they themselves had appointed but that they believe have now become a part of the more radical PLO wing. But the Camp David agreement comes within the 242 and 338 of the United Nations, those Resolutions. And they have, as I say, have pledged to me that they're going to abide by that.

Federal Budget

Q. Mr. President, in your stout defense of your budget, the big-ticket items in your budget, such as the 10-percent tax cut and increased defense spending, you seem to be almost alone, with the exception of Congressman Kemp. And we sense even many of your economic advisers and people who clearly have your best interests at heart—Senator Laxalt comes to mind—are saying both privately and publicly that they desperately want you to change that and bring the deficit down, try to bring the interest rates down.

Do you have any sense of pause about sticking with this thing, in the view of the body of opinion that's building up in people like Senator Laxalt?

The President. I don't believe that they're specifically talking about those basic fundamentals of the economic problem. I think, in the line of getting the interest rates down—and I've had this also from quite some outside economic advice and from people out there in the money markets—that one of the worst signals we could send would be an outright retreat from the fundamentals of the program.

Now, I'll call to your attention that we ourselves, last year, in getting those tax cuts, discussed areas of savings, or of tax revenues, many of them in the line of taking away unjustified tax breaks that were never really intended in the regulations, things of that kind. And I'm open to discussion of anything of that kind.

But I believe that the basic tax cuts for business that were based around depreciation allowances, the 25 percent which should have been 30 percent, and retroactive to January 1st of 1981—and maybe we wouldn't have a recession today, but we couldn't get that much when we were trying to get it—but I believe that that tax cut is absolutely vital. You don't increase taxes in a recession.

And actually, that tax cut, that whole 25 percent is doing little more than offsetting the gigantic tax increase that was passed in 1977, one of the largest, the single largest in our Nation's history, the social security payroll tax. And may I point out that with that gigantic tax increase in 1977, between then and 1981, there was $300 billion in additional tax revenues collected by government. There were $318 billion in deficits, in the same period.

President's Trip to the Caribbean

Q. Mr. President, notwithstanding what you've told us a minute or two ago, even some of your closest aides are privately acknowledging these days that an image of you as, what some might call, a rich man's President seems to have taken hold and may have become a bit of a political problem for you. Even if that perception is a very unfair one—and I think you indicated tonight and several other times that you think it is a very unfair perception——

The President. I do.

Q. ——doesn't your working vacation to Barbados next week tend to exacerbate that problem?

The President. Well then, what about the bipartisan congressional team that is also going down into the Caribbean islands on the same Caribbean program? [*Laughter*]

It seemed to me that, first of all, we're stopping at Jamaica. This is where the whole Caribbean initiative began, was with Seaga's victory there and the taking away of the government from the virtually Communist control that it had been under. And we're moving on then to Barbados, where the Prime Minister there has set up a meeting with the heads of state of many of the neighboring islands there in the Caribbean.

Now, it is Easter, and everybody else is taking a vacation. The fact that while we're there I'm going to sit in the sand and maybe go swimming for a day before we come back hardly constitutes what I'd consider a vacation.

Unemployment

Q. Mr. President, you've talked often about the long-term goals of your economic recovery plan, but a lot of people are in trouble right now. They don't have jobs, and—millions of them—how long are you willing to let unemployment continue at current high levels before you take some sort of short-term emergency action to bring it down?

The President. Short-term, emergency actions that have been taken in the past—and there've been seven previous recessions since World War II—and that short-term has been a flooding of the money market, an artificial stimulant to bring down unemployment, and at the same time it usually skyrockets inflation. Now inflation is the cruelest thing and the cruelest tax on the poor, if we're taking sides as to who's for the rich or who's for the poor. And I just gave a figure on that a moment ago.

We have, in some of the hardest hit States, extended the unemployment insurance. There's nothing that strikes to my heart more than the unemployed, although at this time I think the farmers, the small business people, people in real estate and the construction industry, who are losing their businesses—family-owned businesses—and they can't get unemployment insurance, they're just out and broke—is also a heartbreaking problem. But the answer to this has to be in a recovery of the economy.

The interest rates, remaining as high as they are, which are holding this up—there is nothing that government can do about this except hope that we can prove to them that we are serious about continuing this program. Those interest rates aren't staying up because of anything that the Fed is doing or anything that government is doing. They're staying up, because after being burned a half a dozen times in these previous efforts by government, we find that the money markets just don't believe that we'll stay the course, bring down government spending, and hold inflation down. They're looking for that temporary stimulant that will then send up the interest rates.

Sara [Sara Fritz, U.S. News & World Report]?

Strategic Arms Negotiations

Q. Going back to your opening statement, how soon do you expect strategic arms negotiations to begin, and will they include a summit with Mr. Brezhnev?

The President. Well, we've been thinking that possibly this summer would be—we would be ready as far as our own team is concerned. It takes a lot of work to prepare for one of these. You don't just go and sit down at the table and say let's talk about nuclear weapons. And then there will have to be our own review. We've had quite a talented group working on this.

When we're ready, then, of course, setting a date will depend somewhat on the whole international situation. There could be things that could make it seem a little unseemly to propose such a meeting. But I would be hopeful that possibly we could do this by this summer.

Ms. Thomas. Thank you, Mr. President.

The President. Helen, thank you. And again, my apologies to all those other hands that we never got to. I'm sorry.

Note: The President's ninth news conference began at 8:02 p.m. in the East Room at the White House. It was broadcast live on nationwide radio and television.

Proclamation 4916—National Maritime Day, 1982

April 1, 1982

By the President of the United States of America

A Proclamation

Since the inception of our great Nation the American merchant marine has contributed to its security and economic growth.

It is a vital lifeline linking the United States with its trading partners. In times of war it serves as our "fourth arm of defense" providing logistic support to our Armed Forces.

For too long, our shipping industry has been in a state of decline, and its ability to meet the Nation's economic and defense needs has eroded. My Administration is firmly committed to the rejuvenation of the American merchant marine.

In recognition of the importance of the American merchant marine, the Congress, by joint resolution of May 20, 1933, designated May 22 as National Maritime Day and requested the President to issue annually a proclamation calling for its appropriate observance. The date was chosen to commemorate the same date in 1819 when the SS *Savannah* departed Savannah, Georgia, on the first transatlantic steamship voyage.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby urge the people of the United States to honor our American Merchant Marine on May 22, 1982, the fiftieth observance of National Maritime Day, by displaying the flag of the United States at their homes and other suitable places, and I request that all ships sailing under the American flag dress ship on that day.

In Witness Whereof, I have hereunto set my hand this 1st day of April in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 10:23 a.m., April 2, 1982*]

Proclamation 4917—National Safe Boating Week, 1982

April 1, 1982

By the President of the United States of America

A Proclamation

Americans have always enjoyed the outdoors and are fortunate to have a multitude of sports and recreational activities that serve to refresh the body and spirit. For many of our citizens, the most popular form of recreation is boating.

It is essential for those involved in recreational boating to recognize the paramount importance of safety in the operation of small craft. Boating offers a myriad of wonderful opportunities for the whole family, and these experiences can be enhanced by careful attention to rules of safety. In fact, it is the responsibility of boating participants to make sure they are fully conversant in all matters involving safety.

All Americans who utilize our waterways for recreational purposes should be well versed in water safety rules and techniques for their own protection and that of their friends and loved ones. I urge those who engage in recreational boating to take advantage of the many safe boating courses which are sponsored by governmental and private organizations. I particularly urge those who are inexperienced operators of small boats to enroll in these educational programs. Learning the fundamentals of safe boating will add to the potential pleasure and excitement of recreational boating.

Aware of the need for boating safety, the

Congress enacted the joint resolution of June 4, 1958 (36 U.S.C. 161) as amended, requesting that the President proclaim annually a National Safe Boating Week.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate the week beginning June 6, 1982, as National Safe Boating Week.

I invite the Governors of the states, Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, and American Samoa, and the Mayor of the District of Columbia to provide for the observance of this week.

In Witness Whereof, I have hereunto set my hand this 1st day of April in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundredth and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 10:24 a.m., April 2, 1982*]

Executive Order 12355—The Task Force on Legal Equity for Women

April 1, 1982

By the authority vested in me as President by the Constitution of the United States of America, and in order to substitute the new Cabinet Council on Legal Policy for the Cabinet Council on Human Resources, the last sentence of Section 2(c) of Executive Order No. 12336 of December 21, 1981, is hereby amended to read as follows:

"The Attorney General or his designee shall, on a quarterly basis, report his findings to the President through the Cabinet Council on Legal Policy.".

RONALD REAGAN

The White House,
April 1, 1982.

[*Filed with the Office of the Federal Register, 10:25 a.m., April 2, 1982*]

Exchange With Reporters on Returning From Bethesda Naval Medical Center

April 1, 1982

Q. Mr. President, down this way.

Q. Down this way, please.

The President. Trying to get up here. All right.

Q. Mr. President, how do you feel?

Q. Can you tell us how you feel?

The President. I feel great.

Q. Will you tell us about it?

The President. I feel great. And it was, as I think was—before you were forewarned, completely routine, and everything's absolutely fine.

Q. Did it hurt? Was it very painful, sir?

The President. What?

Q. Was it very painful?

The President. No, no. It was just an examination.

Q. Did the doctor say you have to take it easy or——

The President. No, I can ride horses and keep on doing everything. Everything was perfectly normal.

Q. No medication, no——

Q. Can you tell us a little bit, sir—can you——

The President. No medication, no nothing.

Q. You won't have to go back.

The President. No.

Q. Do you have to go back?

The President. No.

Q. Can you tell us a little bit how this ailment struck you initially and the discomfort that you had a few weeks ago?

The President. Oh, well, no. It was just—I recall that back in 1967, at that time he had told me that periodically it might be well to check, and we do have regular physicals, as you know. And so we were—and we'd been intending to move the physicals up, and so with this opportunity and—it was just a slight discomfort, and it followed one of those fly-around-the-country trips that I was doing a few weeks ago. And there were just a few days of discomfort. So, I took advantage of it, had the examination, and everything is just perfectly normal and fine.

Q. You have to be on any medication of any kind at all?

The President. No medication of any kind.

Q. And no problems?

The President. No problems.

Q. Are you happy?

The President. Sure.

Q. Do you feel that there's a special doctor-patient relationship which you might have to set aside when it comes to the physical condition of the President of the United States?

The President. Well, we had our routine physical before with the doctors at Bethesda. This, however, was an opportunity for the doctor who had been on hand in 1967 and who is a good friend who was going to be in the area, and he joined us.

Q. Just happened to be out here.

The President. Yes.

Q. Are you still planning to go on your trip next week?

The President. What?

Q. Are you still planning on your trip next week, your—

The President. Oh, sure. Oh, yeah. Please, I'm not hiding a thing. Everything is great.

Deputy Press Secretary Speakes. Thank you very much.

The President. I've got to get over to the office and go to work now.

Q. I couldn't hear a word.

The President. Helen [Helen Thomas, United Press International] will tell you. [*Laughter*] You tell him.

Q. I'll give a full medical report.

Q. [*Inaudible*]—voodoo arms control.

Q. Voodoo arms control.

The President. What?

Q. The Kennedy statement on voodoo arms control—he said that your position is voodoo arms control.

The President. Well, he just lacks the information that I have.

Note: The exchange began at 4:06 p.m. at the South Portico of the White House.

In a statement issued by Deputy Press Secretary Larry M. Speakes earlier the same day, it was announced that the President would visit the medical center for a routine medical examination after he had experienced slight discomfort in the urinary tract several weeks earlier. The President had decided to visit Bethesda when his personal physician, Dr. Burton Smith of Los Angeles, Calif., could be in the Washington area. Dr. Smith, Dr. Daniel Ruge, Physician to the President, and medical center physicians conducted the examination.

Following the President's return, Mr. Speakes announced that the results of the 90-minute examination were normal and that no further treatment was required.

Remarks on Signing the Older Americans Month Proclamation

April 2, 1982

The President. Good afternoon, and welcome to the White House. We're here today to proclaim May as Older Americans Month. The proclamation concerning Older Americans Month has been issued every year since 1963, and each time it becomes more meaningful, because the number of older Americans is increasing every year.

Since 1970, for example, the national mortality rate has dropped 2 percent each year. Scientific advances in the medical profession have increased both the length and quality of life for our older citizens. Today, a typical 65-year-old will live another 16 years. And in the next decade, the median age of our country is expected to increase by another 3 years.

As our older population increases, we must remain alert to the needs and vulnerabilities of this very special segment of our population. The double-digit inflation of the last decade took a particularly heavy toll on older Americans. People who had worked so hard all their lives helplessly watched as the value of their savings shrank beyond all expectation. The progress that we've made in the battle against inflation during our 14 months here in office has already had considerable impact on these people.

I might add that older Americans currently dependent on social security did not see this program touched by our efforts to cut spending increases in our battle against inflation. In fact, while they make up only 11 percent of our population, elderly Americans will receive 28 percent of the Federal budget in this present fiscal year.

This year's proclamation reminds us that older Americans possess a reservoir of experience and a depth of knowledge that is a great national resource. Today, I'm taking this opportunity to announce my support for legislation that will make better use of this resource. I will back legislation which eliminates mandatory retirement requirements in government and private industry based solely on age.

When it comes to retirement, the criterion should be fitness for work, not year of birth. Our studies suggest that ending forced retirement based solely on age will have minimal consequences on the employment of other groups and will help to erase the unjust perception that persons over 70 are less productive than their fellow citizens. We know that many individuals have valuable contributions to make well beyond 70 years of age, and they should have the opportunity to do so if they desire.

A 1981 Harris poll found that 73 percent of retirees wished they had never quit working. Seventy-five percent of current employees and more than two-thirds of business executives oppose mandatory retirement on the basis of age. And of all U.S. adults, 90 percent oppose a mandatory retirement age.

Now, this strong support could have something to do with the fact that all of us will, given enough time, grow old. Some of us have already reached a certain chronological age, which others thought should keep them from their jobs—or so I've been told. [*Laughter*]

Our proclamation suggests that we owe a special debt of gratitude to our older citizens. I have said before of my generation that that generation of Americans has fought harder, paid a higher price for freedom, and done more to advance the dignity of man than any people who have ever lived on this Earth. And now as they're reaching those older years, the contributions they make to today's America should not be cast aside. With that said, I shall now sign the proclamation.

[*At this point, the President signed the proclamation.*]

Now, that concludes making the world safe for people like us. [*Laughter*]

Reporter. Why do you feel so strongly about that, Mr. President?

Q. Before you answer, sir, would you consider saying it in front of the microphone? We weren't able to pick up anything that you said. [*Laughter*] And in fact, it was said so well, if you would consider repeating some of it—[*laughter*]—we might get it on the news.

The President. I don't think I should take the time to do—I goofed.

Q. Well, that's all right.

The President. I never usually walk by a microphone. [*Laughter*] But I was so anxious to get at that proclamation and, as Bill Plante asked, why did I speak so feelingly?—oh, I just have a certain prejudice about that particular subject.

Q. Would you want to just repeat what you are supporting in terms of the legislation?

The President. All right, yes.

Q. Thank you.

The President. We're here today to proclaim May as Older Americans Month. The proclamation that's concerning Older Americans Month has been issued every year since 1963. And I'm taking advantage of this occasion to announce my support for legislation that will make better use of this resource—senior citizens, older Americans.

I will back legislation which eliminates mandatory retirement requirements in government and private industry based solely on age. When it comes to retirement, the criterion should be fitness for work, not year of birth. And I would add that many individuals have valuable contributions to make well beyond 70 years of age. They should do so if they so desire. And some of us have already reached a certain chronological age which others thought should keep them from their jobs. I've been told that. And so our proclamation suggests that we owe a special debt of gratitude to these older Americans.

Thank you very much.

Q. What about the Falkland Islands, sir? Should that Argentine invasion stop?

The President. Well, the Falkland Islands—the argument's been going on for 149 years. We're dealing with something not quite that old. [*Laughter*]

Q. You don't want to see that invasion continue, do you?

The President. I wish it had not gone forward. I understand they have landed there, and I did talk to the President of Argentina in trying to persuade him not to go forward with that.

Q. Is there any action the U.S. is going to take, Mr. President?

The President. Just to be of help if we can in this dispute.

Now, I've got to meet some people here.

Note: The President spoke at 12:03 p.m. at the signing ceremony in the Rose Garden at the White House. The ceremony was attended by representatives of senior citizens organizations, the Vice President, Secretary of Health and Human Services Richard S. Schweiker, and several administration officials. Members of the press were also present at the ceremony.

Proclamation 4918—Older Americans Month, 1982

April 2, 1982

By the President of the United States of America

A Proclamation

A nation derives its soul, strength, and character from the sum of the creative efforts of all its citizens. While we are a nation of more than 230 million individuals, we are one people—interdependent on each other for our accomplishments and our future.

We owe a special debt of gratitude to our older citizens, who have enriched, and continue to enrich, our great nation. Older Americans from all walks of life have played a major role in creating the bounties of life that bless us all.

As we have come to appreciate the reservoir of experience and depth of knowledge possessed by our older citizens, we must recognize the importance of continuing to draw on them. Older Americans have much to give, both through employment and volunteer work. In paying homage to the contributions and continued potential of older Americans, we also recognize there are those among them who require assistance from others to enhance the quality of their golden years.

As a nation, we are aging together. Opportunities and support we can provide to older Americans today will benefit all of us tomorrow. I urge all Americans to join in this call for intergenerational action that will make more meaningful the lives and potential of older Americans and our society as a whole.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate the month of May, 1982, as Older Americans Month.

In Witness Whereof, I have hereunto set my hand this second day of April, in the Year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 2:51 p.m., April 2, 1982]

Statement by Deputy Press Secretary Speakes on the Dispute Between the United Kingdom and Argentina in the Falkland Islands

April 2, 1982

Our situation report indicates the Argentine Government now claims to have occupied the Falkland Islands and such others as the South Georgias and South Shetlands. The British Government acknowledges that an invasion has taken place, but we have no information other than conflicting reports on fighting or casualties.

We have made clear to the Government of Argentina that we deplore use of force to resolve this dispute. We have called on Argentina to cease, immediately, hostilities, and to withdraw its military forces from the Falkland Islands.

We are continuing to work bilaterally—and in multilateral forums such as the United Nations—to obtain a cessation of hostilities and a withdrawal.

Because of our concern over the tensions between Argentina and the United Kingdom, the United States Government welcomes and strongly supports the statement by the President of the U.N. Security Council, made yesterday on behalf of the Council. We fully endorse the Council's call for the exercise of utmost restraint at this time, the avoidance of the use or threat of force in the region, and for the continuation of the search for a diplomatic solution.

Note: Deputy Press Secretary Larry M. Speakes read the statement to reporters at the daily news briefing, which began at approximately 12:40 p.m. in the Briefing Room at the White House.

Mr. Speakes informed reporters that the President telephoned the President of Argentina last night and spoke with him, through interpreters, for approximately 50 minutes. The President learned of the invasion this morning, shortly after 7 a.m., and received continuous updates throughout the morning.

Executive Order 12356—National Security Information

April 2, 1982

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Executive Order

National Security Information

This Order prescribes a uniform system for classifying, declassifying, and safeguarding national security information. It recognizes that it is essential that the public be informed concerning the activities of its Government, but that the interests of the United States and its citizens require that certain information concerning the national defense and foreign relations be protected against unauthorized disclosure. Information may not be classified under this Order unless its disclosure reasonably could be expected to cause damage to the national security.

Now, by the authority vested in me as President by the Constitution and laws of the United States of America, it is hereby ordered as follows:

Part 1 Original Classification

Section 1.1 Classification Levels.

(a) National security information (hereinafter "classified information") shall be classified at one of the following three levels:

(1) "Top Secret" shall be applied to information, the unauthorized disclosure of which reasonably could be expected to cause exceptionally grave damage to the national security.

(2) "Secret" shall be applied to information, the unauthorized disclosure of which reasonably could be expected to cause serious damage to the national security.

(3) "Confidential" shall be applied to information, the unauthorized disclosure of which reasonably could be expected to cause damage to the national security.

(b) Except as otherwise provided by statute, no other terms shall be used to identify classified information.

(c) If there is reasonable doubt about the need to classify information, it shall be safeguarded as if it were classified pending a determination by an original classification authority, who shall make this determination within thirty (30) days. If there is reasonable doubt about the appropriate level of classification, it shall be safeguarded at the higher level of classification pending a determination by an original classification authority, who shall make this determination within thirty (30) days.

Sec. 1.2 Classification Authority.

(a) *Top Secret.* The authority to classify information originally as Top Secret may be exercised only by:

(1) the President;

(2) agency heads and officials designated by the President in the *Federal Register*; and

(3) officials delegated this authority pursuant to Section 1.2(d).

(b) *Secret.* The authority to classify information originally as Secret may be exercised only by:

(1) agency heads and officials designated by the President in the *Federal Register*;

(2) officials with original Top Secret classification authority; and

(3) officials delegated such authority pursuant to Section 1.2(d).

(c) *Confidential.* The authority to classify information originally as Confidential may be exercised only by:

(1) agency heads and officials designated by the President in the *Federal Register*;

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[1] **Editorial note:** The page numbers in the original text have been changed to those of this book.

(2) officials with original Top Secret or Secret classification authority; and

(3) officials delegated such authority pursuant to Section 1.2(d).

(d) *Delegation of Original Classification Authority.*

(1) Delegations of original classification authority shall be limited to the minimum required to administer this Order. Agency heads are responsible for ensuring that designated subordinate officials have a demonstrable and continuing need to exercise this authority.

(2) Original Top Secret classification authority may be delegated only by the President; an agency head or official designated pursuant to Section 1.2(a)(2); and the senior official designated under Section 5.3(a)(1),* provided that official has been delegated original Top Secret classification authority by the agency head.

(3) Original Secret classification authority may be delegated only by the President; an agency head or official designated pursuant to Sections 1.2(a)(2) and 1.2(b)(1); an official with original Top Secret classification authority; and the senior official designated under Section 5.3(a)(1),* provided that official has been delegated original Secret classification authority by the agency head.

(4) Original Confidential classification authority may be delegated only by the President; an agency head or official designated pursuant to Sections 1.2(a)(2), 1.2(b)(1) and 1.2(c)(1); an official with original Top Secret classification authority; and the senior official designated under Section 5.3(a)(1),* provided that official has been delegated original classification authority by the agency head.

(5) Each delegation of original classification authority shall be in writing and the authority shall not be redelegated except as provided in this Order. It shall identify the official delegated the authority by name or position title. Delegated classification authority includes the authority to classify information at the level granted and lower levels of classification.

(e) *Exceptional Cases.* When an employee, contractor, licensee, or grantee of an agency that does not have original classification authority originates information believed by that person to require classification, the information shall be protected in a manner consistent with this Order and its implementing directives. The information shall be transmitted promptly as provided under this Order or its implementing directives to the agency that has appropriate subject matter interest and classification authority with respect to this information. That agency shall decide within thirty (30) days whether to classify this information. If it is not clear which agency has classification responsibility for this information, it shall be sent to the Director of the Information Security Oversight Office. The Director shall determine the agency having primary subject matter interest and forward the information, with appropriate recommendations, to that agency for a classification determination.

Sec. 1.3 Classification Categories.

(a) Information shall be considered for classification if it concerns:

(1) military plans, weapons, or operations;

(2) the vulnerabilities or capabilities of systems, installations, projects, or plans relating to the national security;

(3) foreign government information;

(4) intelligence activities (including special activities), or intelligence sources or methods;

(5) foreign relations or foreign activities of the United States;

(6) scientific, technological, or economic matters relating to the national security;

(7) United States Government programs for safeguarding nuclear materials or facilities;

(8) cryptology;

(9) a confidential source; or

(10) other categories of information that are related to the national security and that require protection against unauthorized disclosure as determined by the President or by agency heads or other officials who have been delegated original classification authority by the President. Any determination made under this subsection shall be reported promptly to the Director of the Informa-

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*The citation should read "Section 5.3(a)". [*White House correction*]

tion Security Oversight Office.

(b) Information that is determined to concern one or more of the categories in Section 1.3(a) shall be classified when an original classification authority also determines that its unauthorized disclosure, either by itself or in the context of other information, reasonably could be expected to cause damage to the national security.

(c) Unauthorized disclosure of foreign government information, the identity of a confidential foreign source, or intelligence sources or methods is presumed to cause damage to the national security.

(d) Information classified in accordance with Section 1.3 shall not be declassified automatically as a result of any unofficial publication or inadvertent or unauthorized disclosure in the United States or abroad of identical or similar information.

Sec. 1.4 Duration of Classification.

(a) Information shall be classified as long as required by national security considerations. When it can be determined, a specific date or event for declassification shall be set by the original classification authority at the time the information is originally classified.

(b) Automatic declassification determinations under predecessor orders shall remain valid unless the classification is extended by an authorized official of the originating agency. These extensions may be by individual documents or categories of information. The agency shall be responsible for notifying holders of the information of such extensions.

(c) Information classified under predecessor orders and marked for declassification review shall remain classified until reviewed for declassification under the provisions of this Order.

Sec. 1.5 Identification and Markings.

(a) At the time of original classification, the following information shall be shown on the face of all classified documents, or clearly associated with other forms of classified information in a manner appropriate to the medium involved, unless this information itself would reveal a confidential source or relationship not otherwise evident in the document or information:

(1) one of the three classification levels defined in Section 1.1;

(2) the identity of the original classification authority if other than the person whose name appears as the approving or signing official;

(3) the agency and office of origin; and

(4) the date or event for declassification, or the notation "Originating Agency's Determination Required."

(b) Each classified document shall, by marking or other means, indicate which portions are classified, with the applicable classification level, and which portions are not classified. Agency heads may, for good cause, grant and revoke waivers of this requirement for specified classes of documents or information. The Director of the Information Security Oversight Office shall be notified of any waivers.

(c) Marking designations implementing the provisions of this Order, including abbreviations, shall conform to the standards prescribed in implementing directives issued by the Information Security Oversight Office.

(d) Foreign government information shall either retain its original classification or be assigned a United States classification that shall ensure a degree of protection at least equivalent to that required by the entity that furnished the information.

(e) Information assigned a level of classification under predecessor orders shall be considered as classified at that level of classification despite the omission of other required markings. Omitted markings may be inserted on a document by the officials specified in Section 3.1(b).

Sec. 1.6 Limitations on Classification.

(a) In no case shall information be classified in order to conceal violations of law, inefficiency, or administrative error; to prevent embarrassment to a person, organization, or agency; to restrain competition; or to prevent or delay the release of information that does not require protection in the interest of national security.

(b) Basic scientific research information not clearly related to the national security may not be classified.

(c) The President or an agency head or official designated under Sections 1.2(a)(2), 1.2(b)(1), or 1.2(c)(1) may reclassify information previously declassified and disclosed if it is determined in writing that (1) the information requires protection in the interest of national security; and (2) the information may reasonably be recovered. These reclassification actions shall be reported promptly to the Director of the Information Security Oversight Office.

(d) Information may be classified or reclassified after an agency has received a request for it under the Freedom of Information Act (5 U.S.C. 552) or the Privacy Act of 1974 (5 U.S.C. 552a), or the mandatory review provisions of this Order (Section 3.4) if such classification meets the requirements of this Order and is accomplished personally and on a document-by-document basis by the agency head, the deputy agency head, the senior agency official designated under Section 5.3(a)(1),* or an official with original Top Secret classification authority.

Part 2 Derivative Classification

Sec. 2.1 Use of Derivative Classification.

(a) Derivative classification is (1) the determination that information is in substance the same as information currently classified, and (2) the application of the same classification markings. Persons who only reproduce, extract, or summarize classified information, or who only apply classification markings derived from source material or as directed by a classification guide, need not possess original classification authority.

(b) Persons who apply derivative classification markings shall:

(1) observe and respect original classification decisions; and

(2) carry forward to any newly created documents any assigned authorized markings. The declassification date or event that provides the longest period of classification shall be used for documents classified on the basis of multiple sources.

Sec. 2.2 Classification Guides.

(a) Agencies with original classification authority shall prepare classification guides to facilitate the proper and uniform derivative classification of information.

(b) Each guide shall be approved personally and in writing by an official who:

(1) has program or supervisory responsibility over the information or is the senior agency official designated under Section 5.3(a)(1);* and

(2) is authorized to classify information originally at the highest level of classification prescribed in the guide.

(c) Agency heads may, for good cause, grant and revoke waivers of the requirement to prepare classification guides for specified classes of documents or information. The Director of the Information Security Oversight Office shall be notified of any waivers.

Part 3 Declassification and Downgrading

Sec. 3.1 Declassification Authority.

(a) Information shall be declassified or downgraded as soon as national security considerations permit. Agencies shall coordinate their review of classified information with other agencies that have a direct interest in the subject matter. Information that continues to meet the classification requirements prescribed by Section 1.3 despite the passage of time will continue to be protected in accordance with this Order.

(b) Information shall be declassified or downgraded by the official who authorized the original classification, if that official is still serving in the same position; the originator's successor; a supervisory official of either; or officials delegated such authority in writing by the agency head or the senior agency official designated pursuant to Section 5.3(a)(1).*

(c) If the Director of the Information Security Oversight Office determines that information is classified in violation of this Order, the Director may require the information to be declassified by the agency that originated the classification. Any such decision by the Director may be appealed to the National Security Council. The information shall remain classified, pending a prompt decision on the appeal.

(d) The provisions of this Section shall also apply to agencies that, under the terms of this Order, do not have original classification authority, but that had such authority under predecessor orders.

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* *Ibid.*

* *Ibid.*

Sec. 3.2 Transferred Information.

(a) In the case of classified information transferred in conjunction with a transfer of functions, and not merely for storage purposes, the receiving agency shall be deemed to be the originating agency for purposes of this Order.

(b) In the case of classified information that is not officially transferred as described in Section 3.2(a), but that originated in an agency that has ceased to exist and for which there is no successor agency, each agency in possession of such information shall be deemed to be the originating agency for purposes of this Order. Such information may be declassified or downgraded by the agency in possession after consultation with any other agency that has an interest in the subject matter of the information.

(c) Classified information accessioned into the National Archives of the United States shall be declassified or downgraded by the Archivist of the United States in accordance with this Order, the directives of the Information Security Oversight Office, and agency guidelines.

Sec. 3.3 Systematic Review for Declassification.

(a) The Archivist of the United States shall, in accordance with procedures and timeframes prescribed in the Information Security Oversight Office's directives implementing this Order, systematically review for declassification or downgrading (1) classified records accessioned into the National Archives of the United States, and (2) classified presidential papers or records under the Archivist's control. Such information shall be reviewed by the Archivist for declassification or downgrading in accordance with systematic review guidelines that shall be provided by the head of the agency that originated the information, or in the case of foreign government information, by the Director of the Information Security Oversight Office in consultation with interested agency heads.

(b) Agency heads may conduct internal systematic review programs for classified information originated by their agencies contained in records determined by the Archivist to be permanently valuable but that have not been accessioned into the National Archives of the United States.

(c) After consultation with affected agencies, the Secretary of Defense may establish special procedures for systematic review for declassification of classified cryptologic information, and the Director of Central Intelligence may establish special procedures for systematic review for declassification of classified information pertaining to intelligence activities (including special activities), or intelligence sources or methods.

Sec. 3.4 Mandatory Review for Declassification.

(a) Except as provided in Section 3.4(b), all information classified under this Order or predecessor orders shall be subject to a review for declassification by the originating agency, if:

(1) the request is made by a United States citizen or permanent resident alien, a federal agency, or a State or local government; and

(2) the request describes the document or material containing the information with sufficient specificity to enable the agency to locate it with a reasonable amount of effort.

(b) Information originated by a President, the White House Staff, by committees, commissions, or boards appointed by the President, or others specifically providing advice and counsel to a President or acting on behalf of a President is exempted from the provisions of Section 3.4(a). The Archivist of the United States shall have the authority to review, downgrade and declassify information under the control of the Administrator of General Services or the Archivist pursuant to sections 2107, 2107 note, or 2203 of title 44, United States Code. Review procedures developed by the Archivist shall provide for consultation with agencies having primary subject matter interest and shall be consistent with the provisions of applicable laws or lawful agreements that pertain to the respective presidential papers or records. Any decision by the Archivist may be appealed to the Director of the Information Security Oversight Office. Agencies with primary subject matter interest shall be notified promptly of the Director's decision on such appeals and may further appeal to the National Security Council. The information shall remain classified pending a prompt decision on the appeal.

(c) Agencies conducting a mandatory review for declassification shall declassify information no longer requiring protection under this Order. They shall release this information unless withholding is otherwise authorized under applicable law.

(d) Agency heads shall develop procedures to process requests for the mandatory review of classified information. These procedures shall apply to information classified under this or predecessor orders. They shall also provide a means for administratively appealing a denial of a mandatory review request.

(e) The Secretary of Defense shall develop special procedures for the review of cryptologic information, and the Director of Central Intelligence shall develop special procedures for the review of information pertaining to intelligence activities (including special activities), or intelligence sources or methods, after consultation with affected agencies. The Archivist shall develop special procedures for the review of information accessioned into the National Archives of the United States.

(f) In response to a request for information under the Freedom of Information Act, the Privacy Act of 1974, or the mandatory review provisions of this Order:

(1) An agency shall refuse to confirm or deny the existence or non-existence of requested information whenever the fact of its existence or non-existence is itself classifiable under this Order.

(2) When an agency receives any request for documents in its custody that were classified by another agency, it shall refer copies of the request and the requested documents to the originating agency for processing, and may, after consultation with the originating agency, inform the requester of the referral. In cases in which the originating agency determines in writing that a response under Section 3.4(f)(1) is required, the referring agency shall respond to the requester in accordance with that Section.

Part 4 Safeguarding

Sec. 4.1 General Restrictions on Access.

(a) A person is eligible for access to classified information provided that a determination of trustworthiness has been made by agency heads or designated officials and provided that such access is essential to the accomplishment of lawful and authorized Government purposes.

(b) Controls shall be established by each agency to ensure that classified information is used, processed, stored, reproduced, transmitted, and destroyed only under conditions that will provide adequate protection and prevent access by unauthorized persons.

(c) Classified information shall not be disseminated outside the executive branch except under conditions that ensure that the information will be given protection equivalent to that afforded within the executive branch.

(d) Except as provided by directives issued by the President through the National Security Council, classified information originating in one agency may not be disseminated outside any other agency to which it has been made available without the consent of the originating agency. For purposes of this Section, the Department of Defense shall be considered one agency.

Sec. 4.2 Special Access Programs.

(a) Agency heads designated pursuant to Section 1.2(a) may create special access programs to control access, distribution, and protection of particularly sensitive information classified pursuant to this Order or predecessor orders. Such programs may be created or continued only at the written direction of these agency heads. For special access programs pertaining to intelligence activities (including special activities but not including military operational, strategic and tactical programs), or intelligence sources or methods, this function will be exercised by the Director of Central Intelligence.

(b) Each agency head shall establish and maintain a system of accounting for special access programs. The Director of the Information Security Oversight Office, consistent with the provisions of Section 5.2(b)(4), shall have non-delegable access to all such accountings.

Sec. 4.3 Access by Historical Researchers and Former Presidential Appointees.

(a) The requirement in Section 4.1(a) that access to classified information may be granted only as is essential to the accomplishment of authorized and lawful Government purposes may be waived as provided in Section 4.3(b) for persons who:

(1) are engaged in historical research projects, or

(2) previously have occupied policy-making positions to which they were appointed by the President.

(b) Waivers under Section 4.3(a) may be granted only if the originating agency:

(1) determines in writing that access is consistent with the interest of national security;

(2) takes appropriate steps to protect classified information from unauthorized disclosure or compromise, and ensures that the information is safeguarded in a manner consistent with this Order; and

(3) limits the access granted to former presidential appointees to items that the person originated, reviewed, signed, or received while serving as a presidential appointee.

Part 5 Implementation and Review

Sec. 5.1 Policy Direction.

(a) The National Security Council shall provide overall policy direction for the information security program.

(b) The Administrator of General Services shall be responsible for implementing and monitoring the program established pursuant to this Order. The Administrator shall delegate the implementation and monitorship functions of this program to the Director of the Information Security Oversight Office.

Sec. 5.2 Information Security Oversight Office.

(a) The Information Security Oversight Office shall have a full-time Director appointed by the Administrator of General Services subject to approval by the President. The Director shall have the authority to appoint a staff for the Office.

(b) The Director shall:

(1) develop, in consultation with the agencies, and promulgate, subject to the approval of the National Security Council, directives for the implementation of this Order, which shall be binding on the agencies;

(2) oversee agency actions to ensure compliance with this Order and implementing directives;

(3) review all agency implementing regulations and agency guidelines for systematic declassification review. The Director shall require any regulation or guideline to be changed if it is not consistent with this Order or implementing directives. Any such decision by the Director may be appealed to the National Security Council. The agency regulation or guideline shall remain in effect pending a prompt decision on the appeal;

(4) have the authority to conduct on-site reviews of the information security program of each agency that generates or handles classified information and to require of each agency those reports, information, and other cooperation that may be necessary to fulfill the Director's responsibilities. If these reports, inspections, or access to specific categories of classified information would pose an exceptional national security risk, the affected agency head or the senior official designated under Section 5.3(a)(1)* may deny access. The Director may appeal denials to the National Security Council. The denial of access shall remain in effect pending a prompt decision on the appeal;

(5) review requests for original classification authority from agencies or officials not granted original classification authority and, if deemed appropriate, recommend presidential approval;

(6) consider and take action on complaints and suggestions from persons within or outside the Government with respect to the administration of the information security program;

(7) have the authority to prescribe, after consultation with affected agencies, standard forms that will promote the implementation of the information security program;

(8) report at least annually to the President through the National Security Council on the implementation of this Order; and

(9) have the authority to convene and chair interagency meetings to discuss matters pertaining to the information security program.

Sec. 5.3 General Responsibilities.

Agencies that originate or handle classified information shall:

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* *Ibid.*

(a) designate a senior agency official to direct and administer its information security program, which shall include an active oversight and security education program to ensure effective implementation of this Order;

(b) promulgate implementing regulations. Any unclassified regulations that establish agency information security policy shall be published in the *Federal Register* to the extent that these regulations affect members of the public;

(c) establish procedures to prevent unnecessary access to classified information, including procedures that (i) require that a demonstrable need for access to classified information is established before initiating administrative clearance procedures, and (ii) ensure that the number of persons granted access to classified information is limited to the minimum consistent with operational and security requirements and needs; and

(d) develop special contingency plans for the protection of classified information used in or near hostile or potentially hostile areas.

Sec. 5.4 Sanctions.

(a) If the Director of the Information Security Oversight Office finds that a violation of this Order or its implementing directives may have occurred, the Director shall make a report to the head of the agency or to the senior official designated under Section 5.3(a)(1)* so that corrective steps, if appropriate, may be taken.

(b) Officers and employees of the United States Government, and its contractors, licensees, and grantees shall be subject to appropriate sanctions if they:

(1) knowingly, willfully, or negligently disclose to unauthorized persons information properly classified under this Order or predecessor orders;

(2) knowingly and willfully classify or continue the classification of information in violation of this Order or any implementing directive; or

(3) knowingly and willfully violate any other provision of this Order or implementing directive.

(c) Sanctions may include reprimand, suspension without pay, removal, termination of classification authority, loss or denial of access to classified information, or other sanctions in accordance with applicable law and agency regulation.

(d) Each agency head or the senior official designated under Section 5.3(a)(1)* shall ensure that appropriate and prompt corrective action is taken whenever a violation under Section 5.4(b) occurs. Either shall ensure that the Director of the Information Security Oversight Office is promptly notified whenever a violation under Section 5.4 (b)(1) or (2) occurs.

Part 6 General Provisions

Sec. 6.1 Definitions.

(a) "Agency" has the meaning provided at 5 U.S.C. 552(e).

(b) "Information" means any information or material, regardless of its physical form or characteristics, that is owned by, produced by or for, or is under the control of the United States Government.

(c) "National security information" means information that has been determined pursuant to this Order or any predecessor order to require protection against unauthorized disclosure and that is so designated.

(d) "Foreign government information" means:

(1) information provided by a foreign government or governments, an international organization of governments, or any element thereof with the expectation, expressed or implied, that the information, the source of the information, or both, are to be held in confidence; or

(2) information produced by the United States pursuant to or as a result of a joint arrangement with a foreign government or governments or an international organization of governments, or any element thereof, requiring that the information, the arrangement, or both, are to be held in confidence.

(e) "National security" means the national defense or foreign relations of the United States.

(f) "Confidential source" means any individual or organization that has provided, or that may reasonably be expected to provide, information to the United States on matters pertaining to the national security with the expectation, expressed or implied, that the information or relationship, or both, be held in confidence.

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* *Ibid.*

* *Ibid.*

(g) "Original classification" means an initial determination that information requires, in the interest of national security, protection against unauthorized disclosure, together with a classification designation signifying the level of protection required.

Sec. 6.2 General.

(a) Nothing in this Order shall supersede any requirement made by or under the Atomic Energy Act of 1954, as amended. "Restricted Data" and "Formerly Restricted Data" shall be handled, protected, classified, downgraded, and declassified in conformity with the provisions of the Atomic Energy Act of 1954, as amended, and regulations issued under that Act.

(b) The Attorney General, upon request by the head of an agency or the Director of the Information Security Oversight Office, shall render an interpretation of this Order with respect to any question arising in the course of its administration.

(c) Nothing in this Order limits the protection afforded any information by other provisions of law.

(d) Executive Order No. 12065 of June 28, 1978, as amended, is revoked as of the effective date of this Order.

(e) This order shall become effective on August 1, 1982.

RONALD REAGAN

The White House,
April 2, 1982.

[*Filed with the Office of the Federal Register, 2:52 p.m., April 2, 1982*]

Statement on Signing Executive Order 12356, Concerning National Security Information

April 2, 1982

I have today signed an Executive order that improves our government's system for classifying information vital to our nation's security. The order enhances protection for national security information without permitting excessive classification of documents by the Government.

It is essential for our citizens to be informed about their government's activities, but it is also essential to protect certain sensitive information when disclosure could harm the security of all our citizens. This order establishes improved standards and procedures to achieve the proper balance between these two important objectives and permits the Government to classify only that information whose unauthorized disclosure could reasonably be expected to damage America's security. Limiting classification to the minimum necessary to protect the national security will enhance our ability to protect information that is properly classified.

The order expressly—and properly—prohibits use of classification to hide violations of law, inefficiency, or administrative error; to prevent embarrassment to a person, organization, or agency; to restrain competition; or to prevent or delay the public release of information that does not require national security protection. Basic scientific research information not clearly related to the national security may not be classified, nor may information the Government does not own or control. Wherever possible, documents will be prepared in a manner that does not require classification.

The order also simplifies declassification. It maintains a modified system for the regular review of classified information, requiring our archivists to examine historically valuable classified records to make them available to historians and other researchers when no longer sensitive. In addition, the order retains a mandatory review system that permits citizens to request review of classified documents to determine if the documents may safely be disclosed.

Oversight is critical to an effective information security program, and the order I have signed today requires heads of relevant agencies to monitor this program closely and to train their employees in its requirements. The Information Security Oversight Office will continue its governmentwide monitoring and will report to me through the National Security Council to keep me apprised of the effectiveness of our oversight program.

This Executive order reflects a coordinated effort involving officials of the executive branch, Members of Congress, and representatives of concerned private organizations. The recommendations of all these persons and groups were extremely helpful. Protection of the security of the United States and all its citizens is the first and most solemn duty of every President. This order will improve my ability to meet this constitutional obligation, and I am grateful to all who assisted in its preparation.

Proclamation 4919—Cancer Control Month, 1982

April 2, 1982

By the President of the United States of America

A Proclamation

This year marks the tenth anniversary of our country's commitment of major resources to the control of cancer through the National Cancer Program. While progress against this dread disease has been slow, each step forward can save thousands of lives since statistics show that one out of four Americans now living will become a victim of cancer.

Research has demonstrated that lifestyle and environment play a crucial role in the development of cancer. Reports issued by the Surgeon General increasingly link cigarette smoking with cancer of the lung and other parts of the body. We have developed greater understanding of the effects of exposure to carcinogens and radiation in the workplace and have also learned the importance of diet and nutrition as factors in the development and prevention of cancer. Advances in biochemistry, microbiology, and other basic research have improved our comprehension of the cellular events that lead to cancer formation, but researchers still seek a clearer understanding of the cause of cancer as they strive to halt the progress of this disease more effectively.

Improved surgical procedures, new discoveries in recombinant DNA and hybridoma technology, and developments on the frontiers of immunotherapy hold out the possibility not only of better treatment, but also of the significant breakthrough long prayed for. With continued advances, this ancient scourge may yet pass from mankind.

In 1938, the Congress of the United States passed a joint resolution requesting the President to issue an annual proclamation declaring April to be Cancer Control Month.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim the month of April, 1982, as Cancer Control Month. I invite the Governors of the fifty states and the Commonwealth of Puerto Rico, and the appropriate officials of all other areas under the United States flag, to issue similar proclamations. I also ask the health care professions, the communications industry, and all other interested persons and groups to unite during this appointed time to reaffirm publicly our nation's continuing commitment to control cancer.

In Witness Whereof, I have hereunto set my hand this 2nd day of April in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United

States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 10:43 a.m., April 5, 1982*]

Note: The text of the proclamation was released by the Office of the Press Secretary on April 3.

Radio Address to the Nation on the Program for Economic Recovery

April 3, 1982

My fellow Americans:

I'd like to take a few minutes of your time to talk about some of the problems we face in this blessed land of ours and what I feel we should do about them. I can't cover all that territory in 5 minutes, so I'll be back every Saturday at this same time, same station, live. I hope you'll tune in.

These aren't easy times for a great many of you. Yesterday we were told that unemployment has gone up another two-tenths of 1 percent—equal to the unemployment rate we had in 1975 as we began to come out of that recession.

We can, however, take some comfort from the fact that 99½ million of our people are employed. Now, I know that's no comfort to those who want to work and can't find a job. And it's no comfort to farmers, independent business people, auto dealers, realtors, and building contractors who see themselves going out of business. These people want answers—and so do you—about what we can do to get our economy back on track.

The last recession before this one came in 1980. And by the time our administration took office, unemployment had almost reached 8 million, the prime rate had reached 21½ percent—the highest in more than a century—and inflation was at 12.4 percent. According to the polls, inflation was the number one problem in everyone's mind. All of us associated it with the high interest rates and rightly so. A lender must charge an interest rate high enough to cover inflation as well as give a return on his or her money.

We proposed a program of economic recovery based on the belief that high taxes had deprived people and business of incentive to the point that we'd lost much of our ability to produce. Those high taxes had fueled a rate of increase in government spending that reached 17 percent in 1980 alone. Even high taxes couldn't keep up with that. In the few years between 1976 and 1981, Federal tax revenues increased by $300 billion—but we had $318 billion in deficits.

So, our program also aimed at reducing the rate of increase in government spending. Unfortunately, the interest rate stayed up even though we began to reduce inflation. People couldn't afford to buy automobiles on time. Few could or would take a mortgage to buy or build a home at those rates. Lay-offs in the automobile and construction industries increased, and farmers who borrowed to plant and repay at harvest lost money even on bumper crops. By mid-July, we were back in, if we were ever out of, a recession. But for the first time in the many recessions that have taken place over the recent years, we had a plan ready to go.

The Congress had agreed to a budget that cut the rate of increase in spending nearly in half. And it passed a tax cut program which increased depreciation allowances for business and began a 25-percent cut in income tax rates for individuals, to be phased in over 3 years.

All of this only began last October 1st. Even so, interest rates have been reduced by 20 percent, but that's not nearly enough. They have to come down more, and they should, because our greatest success has been in conquering inflation. It's no longer double digit. For the last 5 months, it's been running at 4½ percent.

By all the rules of the game, interest rates should be down around 9 or 10 percent.

Unfortunately, the increase in unemployment increased government costs and reduced revenues. More money had to be spent on unemployment insurance and other benefits. Fewer people working meant fewer people paying taxes. Up went the projected deficit for 1983, and up went the concern in the money market that this would lead to an increase in inflation, as it has in all those past recessions.

The answer to the recession lies in bringing interest rates down. To do that, a signal must be sent that, while the political process always requires some compromise, government this time intends to stay the course; that we're going to make further reductions in spending and hold to a steady consistent growth in the money supply—in short, that we're going to come out of this recession not with a temporary, quick fix that leads to another recession down the road, but with a solid economic recovery based on increased productivity and jobs for our people.

Now, I know you've been told by some that we should do away with the tax cuts in order to reduce the deficit. That's like trying to pull a game out in the fourth quarter by punting on the third down.

You've also been told our program hasn't worked. Well, of course it hasn't; it hasn't really started yet. Our 5-percent cut in October was almost wiped out by the January increase in the social security tax called for in the 1977 tax bill. The reduced budget spending and the 10-percent tax cut in July will be the real beginning of our program.

There's no instant cure, but there is a cure. With your help and your prayers, we'll find it.

I'll be back next Saturday. Thank you, and God bless you.

Note: The President spoke at 12:06 p.m. from the Oval Office at the White House.

Exchange With Reporters Following the Radio Address to the Nation on the Program for Economic Recovery

April 3, 1982

Q. There are—[*inaudible*]—reports, Mr. President, that—there are reports from Congress that administration officials have said that the deficit's going to be $124 billion, not $95 billion.

The President. I couldn't answer that until we have to, by law, go up shortly in the next couple of weeks—I can't remember the exact date—and present an updated project. As I've said so many times, we do this; we comply with the law. I don't have the greatest faith in those projects, because I think there are too many imponderables both ways that—to make them really something that we should—be—depend on.

Q. But does it worry you that it might be some $22 billion more than what had——

The President. Well, the increase—as the recession goes on and unemployment increases, of course, the deficit increases, because it's—that's more people who stop paying taxes, and it's more people who then have to receive benefits and unemployment insurance and so forth.

So, we've known that this recession has brought this about, and the answer is, we've got to bring the recession to an end. And I think our program will do that.

Q. But, Mr. President, in your speech you seem to be saying that unemployment is going up because unemployment is pushing up the deficit and thus keeping interest rates high. That sounds like a cycle that we just can't get out of.

The President. Yes, we can get out of it. And the way out of it is not the way that's been tried on most of the recessions that have taken place in these last few decades: hyping the money supply, artificially stimulating the money supply, stimulating government spending, as if that somehow will be an aid to the economy—and up, of course, goes inflation when you do that.

Now, inflation does have a temporary,

stimulative effect just by its very nature. It's kind of like a warm bath. It feels good for a minute, but then the water gets too hot.

What we're trying—and the difference between our plan and what's always been tried before is the long-range plan to get the economy back on track, to get America back to where we're the industrial powerhouse that we always were. And to do that, that requires the tax cuts both for business and for individuals to stimulate the economy, reduce the percentage of the gross national product that the government is taking in taxes and that the government is spending. And all of these things I think our plan will do. And it is the only way.

It isn't an instant fix, but it also is a way out that simply solves the problem by broadening the base of our economy, providing the jobs that our people must have, being able to compete once again with the other industrial nations, which we haven't been able to do very well for quite some time now.

Q. Mr. President——

Deputy Press Secretary Speakes. Thank you. Lights—sorry.

The President. Well, let him finish.

Q. [*Inaudible*]—the purpose of having these speeches on radio, starting with the economy. What benefit does it give you?

The President. Well, I think that it—it isn't for me. I think it's time, with all the confusion and all the conflicting things that seem to come out of Washington, between leaks and statements by individuals and pressure groups pressing for their particular program, that it's an opportunity to try each week to—based on what has taken place in that week—to bring the facts to the people as succinctly as I can and as many as I can cram in 5 minutes. And I just thought I'd start with this one, because this one, I think, happens to be the one that's the most on people's minds, this thing of how are we going to get the interest rates down, how are we going to resolve the present problems. So, that was the reason for it and——

Q. You looked pretty comfortable with it.

The President. What?

Q. You looked pretty comfortable with it. Does it feel good to be getting back on the radio?

The President. Yeah, it was almost like old times there. I was waiting for somebody to try and steal second. [*Laughter*]

Reporters. Thank you.

The President. Okay. Thank all of you. What are you doing down here on a Saturday? Don't you work a 5-day week?

Q. That's a very good question. [*Laughter*]

The President. That's right. I've got to go this way. Okay, good. Nice to see you.

Note: The exchange began at approximately 12:15 p.m. in the Oval Office at the White House. It followed the President's reading of several portions of his radio address for the benefit of reporters, photographers, and television cameramen, who were not present during the actual broadcast.

Proclamation 4920—National Medic Alert Week
April 3, 1982

By the President of the United States of America

A Proclamation

Emergency medical care is as effective as the support it receives from our citizens. When we contribute to the lifesaving capabilities of rescue workers and other health professionals, we help to assure our own prospects for continued good health.

About forty million Americans are afflicted with medical problems which are difficult to identify in an emergency situation. One simple but important step that people with special medical problems can take to protect themselves and to enhance the effectiveness of emergency medical care is to register with a medic alert service.

For nearly 25 years, these special identification and information services have been helping health and rescue personnel meet the unique emergency needs of people with diabetes, heart conditions, epilepsy, allergies and other hidden medical problems. The medic alert tag that the victim of a medical emergency wears and the information service with which that person is registered can spell the difference between survival and death. Each year, medical alert identification and emergency information systems save the lives of more than two thousand people who have hidden medical conditions.

To increase awareness among Americans of the benefits of these emergency services, the Congress, by House Joint Resolution 272, requested that the President issue a proclamation designating April 4 through April 10, 1982, as National Medic Alert Week.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim the week beginning April 4, 1982, as National Medic Alert Week. I urge all citizens, associations, and organizations to observe this week with activities that foster the use of emergency identification and information services. I invite the Governors of the States and local government officials to give their support to these activities. Medic alert services save lives.

In Witness Whereof, I have hereunto set my hand this 3rd day of April, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 10:44 a.m., April 5, 1982*]

Proclamation 4921—National Day of Reflection

April 3, 1982

By the President of the United States of America

A Proclamation

Amid the distractions and concerns of our daily existence, it is appropriate that Americans pause to reflect upon the ancient ethical principles and moral values which are the foundation of our character as a nation.

We seek, and steadfastly pursue, the benefits of education. But education must be more than factual enlightenment—it must enrich the character as well as the mind.

One shining example for people of all faiths of what education ought to be is that provided by the Lubavitch movement, headed by Rabbi Menachem Schneerson, a worldwide spiritual leader who will celebrate his 80th birthday on April 4, 1982. The Lubavitcher Rebbe's work stands as a reminder that knowledge is an unworthy goal unless it is accompanied by moral and spiritual wisdom and understanding. He has provided a vivid example of the eternal validity of the Seven Noahide Laws, a moral code for all of us regardless of religious faith. May he go from strength to strength.

In recognition of the Lubavitcher Rebbe's 80th birthday, the Senate and the House of Representatives of the United States in Congress assembled have issued House Joint Resolution 447 to set aside April 4, 1982, as a "National Day of Reflection."

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim April 4, 1982, as National Day of Reflection.

In Witness Whereof, I have hereunto set my hand this 3rd day of April, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 10:45 a.m., April 5, 1982*]

Message to the Congress Submitting the National Materials and Minerals Program Plan and Report

April 5, 1982

To the Congress of the United States:

I am pleased to submit the National Materials and Minerals Program Plan and Report to Congress, pursuant to the National Materials and Minerals Policy, Research and Development Act of 1980.

This national minerals policy recognizes:

- the critical role of minerals to our economy, national defense, and standard of living;
- the vast, unknown and untapped mineral wealth of America and the need to keep the public's land open to appropriate mineral exploration and development;
- the critical role of government in alerting the Nation to minerals issues and in ensuring that national decision-makers take into account the impact of their decisions on minerals policy; and,
the need for long-term, high potential payoff research activity of wide generic application to improve and augment domestically available materials.

This policy is responsive to America's need for measures to diminish minerals vulnerability by allowing private enterprise to preserve and expand our minerals and materials economy.

RONALD REAGAN

The White House,
April 5, 1982.

Appointment of John V. Byrne as United States Commissioner of the International Whaling Commission

April 5, 1982

The President today announced his intention to appoint John V. Byrne, Administrator of the National Oceanic and Atmospheric Administration, Department of Commerce, to be United States Commissioner on the International Whaling Commission. He would succeed Richard A. Frank.

Dr. Byrne has held various positions with Oregon State University since 1960. He was an associate professor in 1960–65; professor and chairman, Department of Oceanography in 1968–72; dean, School of Oceanography in 1972–76; acting director, Marine Science Center in 1972–77; dean of research (acting) in 1976–77; dean of research in 1977–80; dean of graduate school (acting) in 1979–80; and vice president for research and graduate studies since 1980.

Dr. Byrne was Program Director for Physical Oceanography, National Science Foundation, in 1966–67. In 1966–68 he was a geologist with the U.S. Geological Survey.

He graduated from Hamilton College (B.A., 1951), Columbia College (M.A., 1953), and the University of Southern California (Ph. D., 1957). Dr. Byrne is married, has four children, and was born in Hempstead, N.Y., on May 9, 1928.

Appointment of 17 Members of the National Advisory Council on Vocational Education, and Designation of Chairman

April 5, 1982

The President today announced his intention to appoint the following individuals to be members of the National Advisory Council on Vocational Education. The President also announced his intention to designate Edward D. Miller as Chairman.

Edward D. Miller would succeed Patricia Knox. He is president and chief executive officer of Future Business Leaders of America in Washington, D.C. He was born July 5, 1934.

Betty Breaux would succeed Carol S. Gibson. She is currently chairman, English Department, Northwestern Junior High School in Zachary, La. She was born December 11, 1929.

Vernon Broussard would succeed William A. Stembridge, Jr. He is associate dean, School of Education, University of Southern California in Los Angeles. He was born January 30, 1934.

James H. Buford would succeed Jack B. Reihl. He is senior vice president of the International Management and Development Group, Ltd., in Washington, D.C. He was born June 2, 1944.

John L. Davis would succeed Rose Fong Chao. He is an associate circuit court judge in Decatur, Ill. He was born May 25, 1942.

Joanne M. Dwyer would succeed Ray Majerus. She is currently a guidance counselor and placement director at Crawford County Area Vocational Technical School in Meadville, Pa. She was born June 18, 1939.

Gladys S. Eddy would succeed Elaine R. Jones. She is an assistant professor, Department of Administration Management and Teacher Education at Colorado State University in Fort Collins, Colo. She was born December 25, 1915.

George W. Fellendorf would succeed Thomas P. Glynn. He is president of the Fellendorf Association in Washington, D.C. He was born September 11, 1925.

James W. Griffith would succeed John P. Lipton. He is director of development at Texas State Technical Institute in Waco, Tex. He was born November 5, 1927.

Reuben T. Guenthner would succeed Patricia Vasquez. He is deputy State director, State Board for Vocational Education, in Bismarck, N. Dak. He was born August 5, 1934.

Jean Hanson would succeed Alphonse Jackson. She is currently president, American Vocational Association, University of Minnesota, in St. Paul. She was born May 9, 1942.

Caroline E. Hughes would succeed Rae Marie Levis. She was a member of the National Advisory Council on Vocational Education in 1971–1981. She resides in Cushing, Okla., and was born April 3, 1921.

Elizabeth Joan Kenney would succeed John Rowlett. She serves on the Nevada State Board of Education. She resides in Las Vegas, Nev., and was born December 29, 1929.

Edward Lamontagne would succeed Samuel Bernstein. He is a vocational counselor for handicapped students at Saint Joseph College in West Hartford, Conn. He was born August 4, 1952.

Byrl R. Shoemaker would succeed Christine Long. He is executive director, Vocational and Career Education and Food Service, for the State of Ohio. He resides in Columbus, Ohio, and was born October 5, 1918.

Kenneth M. Smith would succeed John Erwin. He is president and chief executive officer, International Management and Development Group Ltd., in Washington, D.C. He was born April 5, 1949.

Calvin Stephens would succeed Roman Pucinski. He is president and chief executive officer of the Dallas Minority Business Center in Dallas, Tex. He was born February 11, 1945.

Question-and-Answer Session With Reporters on Domestic and Foreign Policy Issues

April 5, 1982

Q. Good morning—afternoon.

The President. Yes, it's afternoon now.

Situation in the Falkland Islands

Q. Mr. President, would you support—would this government support Britain's efforts to free its hostages in the Falklands in exchange for Mrs. Thatcher's support for freeing American hostages in Iran?

The President. You've asked a question, in a way, about a particular facet of it. Let me just answer it in a little broader context.

It's a very difficult situation for the United States, because we're friends with both of the countries engaged in this dispute, and we stand ready to do anything we can to help them. And what we hope for and would like to help in doing is have a peaceful resolution of this with no forceful action or no bloodshed. And to that extent, we support the resolution that's already in the United Nations, that there be a withdrawal of forces and we resolve this at the U.N.

Q. Mr. President, British television news. Have you spoken to Prime Minister Thatcher this morning?

The President. No, but we have—I received a message from her with regard to the appointment of the new Minister—or Foreign Minister.

Q. What will you do if Britain——

Q. What else did she have to tell you?

The President. Well, she appreciated very much our efforts and my attempt to——

Q. Is America prepared to offer military assistance if the British ask for it?

The President. Again, as I said, we're friends of both sides in this, and we're going to try, strive for—and I think that they will be willing to meet in the idea of a peaceful resolution.

Q. Mr. President, are you meeting with the Argentine Foreign Minister, who's here today talking to the Organization of American States?

The President. No, I don't think—no, there isn't any meeting of that kind on the schedule.

Q. Mr. President, Britain—the British Government has threatened to use force if diplomacy fails, and it's regarded as a serious threat in Britain. What would your position be, sir, if diplomacy did fail?

The President. Well, you're getting into a hypothetical question that I hope I never am faced with. Both sides have threatened with the use of force, as is evidenced with Argentina's military landing there. And I just don't think that it's an issue that should come to that point.

President's Popularity

Q. Mr. President, why do you think your polls have gone down so much recently?

The President. Well, they have followed a pattern that's been historically true of every President. And whatever the degree might be, I guess, depends on the pollsters.

I think there's been quite a drumbeat of criticism that has gone largely unanswered by us with regard to some of the programs that I've advocated, and of course, there is the unhappiness that exists for all of us in the present recession. But as I've said, I think the polls are only as good as—at the time they're taken.

Q. Well, do they worry you?

The President. No.

Q. Mr. President, when you say it's largely unanswered, sir, do you mean that the answer hasn't been reported adequately or you haven't been making it adequately? What do you mean by that, "largely unanswered"?

The President. Well, I think in the debate it's true that there has been far more criticism of the plan, and that is more newsworthy when someone stands up with a new viewpoint on the tax facets of the program. And we have submitted our budget. And while we're now continuing in meetings with them to hear what alternatives might be proposed, there isn't much news in us just continuing to say, "Well, we're still supporting our program."

Federal Budget

Q. Isn't it about time for some new move on the part of the White House? We hear that you may be willing to make some cuts in the defense program.

The President. As I've said, finally there are meetings that have been going on, and I've had people from my staff up there in the place of observers or witnessing or hearing what is being proposed between the legislators, both Democrat and Republican. It so far has not reached a point in which it comes to me with any concrete proposals of one kind or another.

Q. How about defense? Are you willing to make some cuts in defense?

The President. I have said——

Q. If they don't jeopardize——

The President. I have said that any government program obviously has areas where savings can be made by management changes and so forth. And I am open to any suggestions of that kind. However, the basic program of upgrading and building weapons systems that we need in order to close the window of vulnerability, I will—I would have to oppose that. We can't send that kind of a message.

U.S. and Soviet Nuclear Capabilities

Q. Mr. President, on that point, some critics say that they disagree with your assessment that the United States is behind the Soviet Union. But beyond that, they say you were wrong to say it because it gives a perception of weakness. Are you sorry you said it?

The President. No, I'm not sorry I said it, because I think we know for sure the Russians know that. I think the American people ought to be able to know everything they know.

Q. But doesn't it give the impression that we are weak, and therefore doesn't it make the Russians——

The President. No. It's been said over and over again many times. It's been said for the last few years that we were in a deteriorating position, militarily, in comparison to the Soviet Union.

Q. But nobody's ever said, sir, that they could deliver a second strike. Do you really believe that?

The President. That has been published in articles by various people commenting on what should happen.

But let me make one point about this. The idea is that we must have a deterrent. Our goal is peace. And to have peace, we must have a deterrent that would prevent someone from adventuring agressively in the world using nuclear weapons. And for one point, with regard to our inferiority, we are presently negotiating that in Geneva, the fact that the Soviet Union has 300 intermediate missiles with 900 warheads aimed at Europe and can hit the Middle East and North Africa, and there is nothing to counter them. And our allies have asked us for cruise missiles and Pershings as a deterrent to be stationed in those countries in Western Europe, to be deployed there. And we have agreed to do that.

Now, there is the greatest proof of a superiority. They already have their SS–20's, –4's, and –5's in place—although lately, they have said that they're withdrawing the –4's and –5's, which are an older and lesser missile. We are negotiating from a standpoint of something we yet have to do in providing those missiles, but which we won't do if they will agree to take theirs out.

Q. Do you think they have a first-strike capability against the United States?

The President. I think that at the moment, on the strategic intercontinental ballistic program and our Triad, I think that we do. Those people who say that, well, we have something of a deterrent now, yes, I think so, too.

Q. But do *they* have a first-strike capability, Mr. President? Can they strike us with impunity?

The President. I think I spoke of that the other night, that, yes, we would have surviving missiles in our submarines, airborne—of those planes that were airborne at the time of such an attack. Their missiles are aimed at our silos, our ballistic missiles, land-based missiles. But would our retaliation result in further devastation to the United States? So, I think I made it clear—look, I'll tell you something; let me give you the answer.

Tomorrow, in Georgetown, Secretary Haig is going to be making a speech on this entire subject of nuclear deterrents and the nuclear power, so I recommend that you——

The Nation's Economy

Q. Mr. President, on the economy, your own Labor Department said last Friday, in analyzing the new unemployment statistics, the unemployment rate going up, that this was evidence of further deterioration in the economy. You have said that we are—that recovery is just around the corner. Which of those——

The President. Well, not that. I've said we're in the trough, the bottoming out of a recession. And one of the characteristics of being in the trough is—if you'll look back at all the other recessions we've had since World War II, you will find that one of the characteristics is that employment lags behind, and very often in that trough there is a continued increase in unemployment for a while.

Q. So, you disagree that this is evidence of further deterioration in the economy?

The President. No, there may even be more unemployment, because—I guess that's why they call it a "trough".

Federal Budget

Q. Mr. President——

Deputy Press Secretary Speakes. Let's make this the last question.

Q. Are you concerned that many Members of Congress are saying that you will not have a budget until there's a lameduck session of Congress; it might be another 6 months?

The President. Not have a budget until—we haven't had a budget for 2 years really. No—and we're not that far behind schedule. As a matter of fact, we've presented this budget earlier than we did last year. And I look forward to progress being made as soon as they come back from the Easter recess. That's why we're negotiating so fast.

Q. What about a summit meeting with House and Senate leadership on the budget?

Mr. Speakes. This has got to be it, right here.

The President. I think that that will be a part of the procedure before we finally arrive at a budget.

Nuclear Arms Control

Let me just say in closing, though—since we can't take any more questions here, and we were on that very big subject of nuclear weapons and all—I, as you know, in June, early June, will be going to Europe for a meeting with the European Economic Council, the leaders, the heads of state of European countries. I will be meeting with the Pope in Rome, and then I will be returning. And at the same time, you know, in June and early July, the United Nations is having its meeting on arms control. And I will be returning and addressing that conference at the United Nations myself. And I hope very much that President Brezhnev will be on hand to do the same thing and address the same group. I think that this whole idea that I've been talking about since back in the campaign, of arms reduction, arms control, is one of the most important things that is facing us. And, as I say, I hope that we'll both be able to address the conference.

Q. If he does come, will you eye a summit meeting?

Q. Would you meet with him?

Q. But, sir, isn't Brezhnev in pretty bad health?

Mr. Speakes. Thank you.

The President. We've had no confirmation of anything of that kind.

Q. Would you like to meet with Mr. Brezhnev?

The President. Well, yes if he—I will answer that one—naturally, head of state that's here in our own country, yes I would very much think that he and I would have a meeting.

Q. You're proposing, in effect, a summit here.

The President. Well, the imagery that you bring up with that, whether that means a full-blown summit conference—no, I think that if he is here and we both address that subject, I think it would be well if he and I had a talk.

Q. That will be in June in New York?

The President. June.

Mr. Speakes. Thank you very much.

Q. Thank you.

Q. Thank you very much for doing this.

Situation in the Falkland Islands

Q. Just a last question, sir? Have you accepted the role as honest broker in the Falkland Islands dispute, sir?

The President. If we can be of help in doing that, yes, anything that would bring a peaceful solution to what seems to be an unnecessary disagreement.

Q. The British want to go to war. [*Laughter*]

Mr. Gergen. Thank you very much, Mr. President.

Mr. Speakes. We start on time; we quit on time.

The President. Yeah, because, heaven sakes, yes, I'm due over at the Hilton Hotel——

Q. [*Inaudible*]—seat, I mean, *we're* late. [*Laughter*]

The President. You know, I was speaking to that group last year. I've got to speak again.

Q. Do you have any fear and trepidation about going back?

The President. No, but I'm wearing my oldest suit today. [*Laughter*]

Mr. Gergen. Thank you very much. Lights.

The President. You know, these are going to do one thing, if you'll all remember it. I leave every press conference, as I told you before, with a great feeling of guilt about the unrecognized hands that have been up and haven't been called on. So, maybe with doing this weekly we can rotate a little.

Q. But now, what's going to happen if somebody asks you a question in a photo opportunity? Are you going to open a trap door?

The President. Oh, incidentally, that's one—that's a part of the new rules. There will absolutely be no questions——

Q. No, sir——

The President. ——in the photo opportunity.

Q. The rules given us said no answers from you. [*Laughter*] You will not answer. They carefully and, I think, wisely did not say there would be no questions.

Q. We can still ask questions; it's just that you may or may not answer.

Q. That's correct.

The President. Okay, you can. But I can sit there with a bar of soap, a pan of water in my hand ready to wash anyone's mouth out with soap. [*Laughter*]

Q. How frequently do you want to meet with us in this fashion, sir?

Q. Every day. [*Laughter*]

Q. Thank you.

Note: The question-and-answer session began at 1:07 p.m. in the Oval Office at the White House.

David R. Gergen is Assistant to the President for Communications.

Remarks at the National Legislative Conference of the Building and Construction Trades Department, AFL–CIO

April 5, 1982

Thank you, Bob,[1] for those kind words, and thank you all for your warm welcome.

I know you understand how happy I am to be back, standing before you today. If it's all the same to you, though, when I finish speaking, I think I'll slip out the back door this time. [*Laughter*]

A funny thing happened to me on the way to the White House last year. [*Laughter*] No, seriously, it wasn't funny at all, and I thank you for the prayers you said that day—especially your prayers for three very brave men—Special Agent Tim McCarthy, Tom Delahanty, and press spokesman Jim Brady. God bless them all.

There was someone else outside this hotel last year who did something I'll always remember. He personally helped bring down the man who was accused of doing the shooting. He's almost as old as I am—all 5 feet 2 inches of him—almost, but not quite, and his heroics landed him in the hospital. But I understand that he's here today, stronger than ever. And, Al Antenucci, where are you? Would you mind standing up? Where is he? [*Applause*] Well, everyone else is standing up. There he is. God bless you.

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[1] *Robert A. Georgine, president of the Building and Construction Trades Department.*

You know, when you think of the courage of men like McCarthy, Delahanty, Brady, and Antenucci, when you think of the warmth and support that always pour forth in our times of trouble, it brings home something awfully important. There are many blessings in this good world, but surely the greatest is the one that we all share: We're Americans.

It's been said that courage is the one quality that guarantees all others. America faces a challenge of courage in the months ahead that will be decisive. We're in a tough period. No one has felt its pain any worse than the members of the building trades. And I want you to know that our highest domestic priority is to revive this economy, to spur employment in hard-hit industries like housing and construction, your stock in trade.

We are in a worldwide recession. The great thing is that—tragedy is that it might have been avoided, or at least curtailed, if the first phase of the tax cut was not so little and so late. Personal taxes actually went up by about $41 billion in 1981, which I think helped drag down the economy. We must not compound that error.

There's good reason to believe the recession is bottoming out. We're on the verge of a major victory over inflation—a disease which has sapped our economic strength, driven up interest rates, and ruined the dreams of homeownership for millions of families. If we stick together and finish the job the bipartisan coalition in Congress began last year, we will soon have that victory. American families will be able to pay their bills again, save for the future, and ignite an economic recovery that can last for years.

John F. Kennedy wrote: "The courage of life is often a less dramatic spectacle than the courage of a final moment, but it is no less a magnificent mixture of triumph and tragedy. A man does what he must in spite of personal consequences—obstacles, dangers and pressures—and that is the basis of all human morality." Well, last year, with the support from the people, we began to do what must be done: attack the monumental problems blocking our progress that had built up for years.

And here's what we were up against: double-digit inflation; 21½-percent interest rates—the highest in more than a century—personal savings and investment rates that had plunged lower here than in any major industrial nation, a trillion-dollar debt, despite the highest tax burden in our peacetime history, a military machine so neglected that many ships couldn't sail and fighter planes couldn't fly for want of spare parts, and a foreign policy wavering in weakness, apologetic for our past, incapable of responding to terrorist attacks on our people, property, and the desecration of our flag.

We knew that climbing out of that swamp wouldn't be easy. We knew there would be strong pressures from many interest groups—yes, and including some within organized labor—to resist the steps we felt had to be taken. And that's why it has meant so much to me that some labor leaders have had the courage to set aside partisan differences, roll up their sleeves, look for the areas where we could agree, and then work together for the good of the country.

This is a special brand of courage, the quiet kind that flows from confidence and inner peace and strength. Bob Georgine, Bill Konyha, Harold Buoy—I thank you for your leadership. Bob is working with our survey on cost control group, and Bill and Harold are working on the productivity advisory committee. They're all giving us important support to cut back redtape impeding growth and new jobs.

Let me just say something here about the initiative of Bob Georgine. You know, one of the values we're trying hardest to save in this country is self-reliance, taking care of our own. And what better example could there be than 15 building and construction trades unions taking one-half billion dollars of their hard-earned pension funds and investing that money to create more jobs for your workers? This country will owe you all a debt of gratitude, and with initiatives like yours, we can and we will rebuild America.

We're trying to help. Last week we announced a series of actions that include moving within the limits of fiduciary responsibility to free up critically needed funds for housing from pension funds such as your own. We're going to modify the Mortgage Revenue Bond program to loosen arbitrage restriction and broaden our definition of distressed areas. And we'll ease existing guidelines to expand the number of potential homebuyers qualifying for FHA mortgages. I spent enough years in my own union to know that when workers have the opportunity to work, and when they're properly and fairly paid for their work, they can provide for themselves without having to hold out their hands to anybody.

Unions represent some of the freest institutions in this land. Too often, discussions about the labor movement dwell only on disputes or corruption or strikes. Well, I know that makes for good headlines. The point is, thousands of good agreements are reached and put into practice every year that benefit unions, management, and the country. So, wouldn't it be nice if sometimes we could hear about that, too. It also might be nice for once if we could hear about the thousands of hard-working, honest, union officials who have done so much to improve your movement and raise the standard of living for all Americans.

One great feature of collective bargaining is the opportunity for straightforward talk. A number of Presidents have observed that of all the meetings in the Oval Office, the most frank and memorable have been with the leaders of organized labor. And I think I know what they mean. I pledge to you today that there will always be an open door to my office for your leadership. We want your counsel and your participation as we tackle these tough problems that face the Nation.

Now, some outside your organization will say, "Well, why bother? After all, Ronald Reagan won't go to bat for you." Well, I wonder, because in the past year I've had many suggestions that what this country really needs is a so-called wage restraint policy. Well, I have one answer to that. This administration will never ever fight inflation by permitting some fuzzy-minded economist to attack the sacred right of American workers to negotiate their own wages.

I believe with all my heart that providing people incentives to pull themselves up is the best path to human progress. I believe that faith in God, love of freedom, family, work, and neighborhood are what made America strong and will keep her free. I think you and I have a lot in common, even though, as Bob said, we can't always agree on all issues. But what we can do, I hope, is seek out areas of possible compromise that don't violate fundamental principles.

One area where we definitely agree, I'm glad to say, is on the need to improve the Clean Air Act. We're working hard with a bipartisan group in Congress to obtain revisions of that act that will help create jobs while maintaining our commitment to clean air. We appreciate your support on this and hope that House Resolution 5252 will move as rapidly as possible.

Now, I spoke a moment ago of my gratitude for the courage that your leaders have demonstrated. May I reassure you today on legislation of importance to your own organization: I believe there have been abuses of the Davis-Bacon Act, but as your President, I have not and will not seek repeal of that act.

Now, there are three areas where we cannot retreat on fundamentals: a need to restore the strength and credibility of America's foreign policy, genuine relief for overburdened taxpayers, and a reduction in the bankrupt growth of Federal spending of the past decade.

Your presence at this conference proves that democracy and freedom are alive and well in America. But as you know, America's more the exception than the rule around the globe.

Now, some in this country say, "Freedom is fine for us, but we can't worry about it for everyone else. Let's not stick our necks out anywhere." Have they forgotten that freedom was not won here without the help of others? Have they forgotten that people who turn their backs on friends often lose what they cherish most for themselves? Have they forgotten that freedom is never more than one generation away from extinction? Your presence at this conference proves that democracy and freedom are alive and well. So, we'll just keep it that way.

I don't think you've forgotten. You've had to live too often the meaning of struggle, perseverance, and unity. An American, a compatriot of yours once said, "The role of American labor in the struggle for the preservation of human freedom and decency is decisive." No one ever put it better than George Meany did 30 years ago. And he lived up to the responsibility that he gave you.

Today you are needed more than ever to support and sustain the struggle of others whose sacrifice is greater than our own. In Poland, where citizens must meet in secret to resist military tyranny, courageous workers still struggle underground. Recently they published a plea for continued resistance. "So that our children do not have to be ashamed of us." they said. So that their children will have a chance to grow up as free and courageous people.

The Polish authorities want the West to close its eyes, accept martial law. The American people will not accept martial law. They demand that Lech Walesa and the political—and the prisoners of Solidarity be set free.

Poland's government says it will crush democratic freedoms. Well, let us tell them, "You can imprison your people. You can close their schools. You can take away their books, harass their priests, and smash their unions. You can never destroy the love of God and freedom that burns in their hearts. They will triumph over you."

Could I just interject something here that—our team of Representatives from Congress just came back from El Salvador, watching the elections down there, led by Senator Nancy Kassebaum. They came in the office to report the other day. And they told me what a thrill it was and how inspiring to see those people stand in line hours for the privilege of voting.

And they spoke to a woman—well, one woman was wounded by a ricocheting bullet. She refused to leave the line for treatment until she'd voted. But another woman said that they had told her personally, the guerrillas, that they would kill her and cut off the finger that's dipped in that invisible ink to identify voters, if she voted. And she said she told them just about what I've just said. She said to them, "you can kill me, you can kill my family, but you can't kill us all."

Francis Bacon wrote that "In this theater of man's life, it is reserved only for gods and angels to be lookers on." America will not drift through the 1980's as a spectator. Liberty belongs to the brave. We will stand up for our ideals, and we will work for peace.

Never again will we shrink from denouncing the terrible nightmare totalitarianism has wrought: occupation of an entire section of Europe, genocide in Cambodia, boat people in Vietnam, a bloody invasion of Afghanistan, and everywhere the suppression of human rights and growing want from economic failure. We will not remain silent when, in Afghanistan, yellow rain is dropped on innocent people, solemn agreements are flagrantly broken, and Soviet helicopters drop thousands of "butterfly" mines, which maim and blind Afghan children who pick them up thinking they're toys. We will condemn these crimes and work for international repudiation.

And we will speak and work for democracy. Winston Churchill said that it was "the worst form of government in the world, except for all the others that have been tried." Yes, we have our warts and our imperfections. But we can be proud that there's so much to love in this land. No nation has worked harder for peace or done more to lift up the downtrodden than the United States of America.

Treasury Secretary Don Regan recently told the students at Bucknell University, "We have brought light where before there was darkness, heat where once there was cold, medicines where there was sickness and disease, food where there was scarcity, and wealth where humanity was living in squalor." We provide more food assistance each year to developing nations than all the other nations of the world combined.

America has a secret weapon; it's called "trust the people." We're not afraid of free enterprise or free trade unions or freedom of thought. We depend on them, because only when individuals are free to worship, create, and build, only when they're given a personal stake in deciding their destiny and benefiting from their own risks—only then do societies become dynamic, prosperous, progressive, and free.

Our democratic dream of human fulfillment through individual equality and opportunity is still the most exciting, successful, and revolutionary idea in the world today. But don't take my word for it. Look at Poland, where Solidarity captured the hearts and minds of the people. Look at Afghanistan, where courageous freedom-fighters are battling a 100,000-man army, a Soviet war machine to a standstill. Look at Vietnam, where 500,000 boat people have escaped since we left. And look at brave El Salvador, where, in one of the most inspiring demonstrations of personal courage in modern history, 1 million citizens—a greater percentage of their electorate than turn out for our own elections—risked their lives to go to the ballot box, so they could vote to give freedom a chance.

Well, let's give El Salvador a chance. Critics question whether we're on the side of right, justice, and progress in El Salvador. Well, we found out an answer to that a week ago Sunday.

But if our commitments to our allies and freedom are to be credible, American security must be restored. We've neglected our national defense for more than a decade. The Soviets haven't. They've built up and deployed a military arsenal unequaled in all history, capable of confronting our allies in Europe and Asia and threatening the free world's source of oil. We cannot allow this dangerous momentum to continue. But even after our buildup, spending on defense will take a smaller share of our budget than it did 20 years ago, when the world was a far safer place. The bulk of the buildup will be for basic manpower, maintenance, and readiness.

Now, some would have us get at the deficit by reducing defense spending. I'm sure that savings can be made in any government program just by improved efficiency, and we have a plan to do that, but not by eliminating needed weapons systems—planes, tanks, and missiles. If we canceled outright all the major weapons systems we plan to order in fiscal year 1983, we'd only reduce next year's budget by $6½ billion. But we would also send a dangerous signal to the world that we were unilaterally disarming. And I don't believe that American labor wants us to do that.

Every penny we spend is for one sacred purpose: to prevent that first shot from being fired, to prevent young Americans from dying in battle. Let us ask those who say we're spending too much: "How much would it have been worth to you to avoid World War II? Who would put a price on the lives that were lost on Guadalcanal, Tarawa, Omaha Beach, Anzio, or Bastogne?" For the sake of our children and their children, I consider it my duty, indeed all of our duties as citizens, to make sure that America is strong enough to remain free and at peace.

Now, this doesn't mean that we shouldn't work for eventual reductions in the weapons of mass destruction. A freeze in the arsenals of these weapons is not good enough. We want to go one better—mutual and verifiable reduction.

Courage to stand up for American ideals, to work for peace, to defend our freedom, and courage to follow through on the bipartisan economic recovery program begun last year—courage to seize the opportunities in this time of challenges. There was a famous French diplomat, Talleyrand, who once said, "Women sometimes forgive a man who forces the opportunity, but never a man who misses one." [*Laughter*] Well, let me take this opportunity to say again, I want nothing more than to work with Members of the Congress to reach an agreement on the budget that is fair, compassionate, and bipartisan.

Let us have the courage to recognize what needs to be done, and let us do it. We won't get this economy moving again by adding to the highest tax burden on American workers in our peacetime history. Taxes went up by more than 300 percent in the last 10 years, but all we got out of that were higher deficits and higher interest rates.

Why? Because the cost of programs we all agree are important were zooming out of control.

The cost of food stamps went up by 16,000 percent in the last 15 years. Medicaid and Medicare—again, essential programs—have increased by more than 500 percent in the last 10 years. We don't have a trillion-dollar debt because you aren't taxed enough. We have a trillion-dollar debt because government spends too much.

As government took more and more of our income, savings on the part of individuals and investment by industry dropped lower and lower. So, we haven't had the capital pool we need to make funds available for the mortgages and investment that will sustain and create new jobs for your members.

We pretended we could hang on to prosperity by going deeper and deeper into debt. Now common sense dictates that we must slow the dangerous increase in spending and taxes so more resources are available for people to produce and save. This is all we're trying to do. And, far from being radical, our program will lead us back to safety without sacrificing compassion.

For all the media talk about fairness, you might not have heard that our 1983 budget will spend nearly three times as much for tuition support for higher education than was available in 1977. Better than one out of every two students will be eligible for assistance. Through Medicaid and Medicare, the Federal Government will pay for the medical care of 99 percent of those Americans over the age 65. Twenty-eight percent of all Federal spending will go to the elderly—an average of $7,850 per senior citizen in payments and services. The Federal Government will still subsidize approximately 95 million meals per day—14 percent of all the meals served. And about $2.8 billion will be spent on job training and employment.

We haven't sacrificed fairness for those in need. But how about some fairness for a group whose voice is rarely heard in Washington—the wage earners and the billpayers of America?

I think that fairness also means going to the mat for a 25-percent tax rate reduction, indexing of tax rates, and strong new incentives for retirement savings—the first decent program for working, middle-income taxpayers since John Kennedy's tax cut nearly 20 years ago. Fairness is saying you don't raise taxes on American workers who had to take cuts in their paychecks just to keep their jobs. And fairness is insisting that when business gets its tax cut, you have no right to turn around and take the people's tax cut away.

Let me tell you why tampering with the third year of the tax cut and indexing should set off alarm bells in your heads and send shivers up your spines. It would increase the tax bill of your members by hundreds of dollars a year. It would prevent us from realizing the increase of $260 billion in private savings which we expect by 1984, which is essential for job creation. And it would further weaken the competitive position of U.S. labor in the world economy.

One of the least reported stories in this country is the way government-imposed higher tax rates have pitted labor against management and undermined the competitive position of both. Many median-income workers now face tax rates of up to 44 percent on added income, up from just 30 percent in the late 1960's. They're being pushed into tax brackets formerly reserved for the wealthy.

High tax rates make it harder for workers to increase their take-home pay, and they make it more expensive for management to compensate them for an increase in the cost of living. It now costs firms $1.70 to compensate a worker for every dollar increase in the cost of living. No wonder we're not competitive with other industrial nations.

Eliminating the third year of the tax cut and indexing will make this bad situation worse. A $20,000-a-year wage earner would pay hundreds of dollars in higher taxes as a direct cost, but the weaker economy—reduced savings investment and lower productivity and growth—would reduce his family's real earnings by much more than the direct cost of higher taxes.

Instead of workers and management trying to solve the dilemma of high tax rates by opposing each other, it's time you joined forces and told government to get off your backs so you can get on with the task of rebuilding our economy. Saving American jobs and raising the standard of living for all our people—that's part of the job.

In 1963 President Kennedy said, "The most urgent task facing our Nation at home today is to end the tragic waste of unemployment and unused resources. It has become increasingly clear," he said, "that the largest single barrier to full employment and to a higher rate of economic growth is the unrealistically heavy drag of Federal income taxes on private purchasing power, initiative, and incentive." What was becoming increasingly clear then should be crystal clear by now. We cannot compromise on fundamental principles without compromising ourselves.

We're not asking the Congress to do what's easy. We're asking them to work with us to do what's right. And our program has begun to work.

We inherited double-digit inflation. We ended 1981 with inflation down to 8.9 percent, and in the last 5 months it's declined to 4½ percent. If inflation had kept running at the rate it was before the 1980 election, a family of four on a fixed income of $15,000 would be about a thousand dollars poorer in purchasing power than they are today.

Now, I'm not going to stand here today and promise you that all your concerns will be swept away in the near future. But I can tell you that we're on the verge of a major breakthrough against problems considered impossible only a year ago.

I don't believe for a minute that America's best days are behind her. I don't believe anyone here doubts that. With the tools and incentives to do the job, America's working men and women are every bit as dedicated, skilled, and productive as their German and Japanese counterparts.

America's greatest moments have come when America dared to be great—when we believed in ourselves, in our values and our courage, and when we reached out to each other to do the impossible. I believe we still can. And because I believe in you, I know we will.

Thank you, and God bless you.

Note: The President spoke at 2 p.m. in the International Ballroom at the Washington Hilton Hotel.

Proclamation 4922—Mother's Day, 1982

April 5, 1982

By the President of the United States of America

A Proclamation

Each year this Nation designates the second Sunday in May as Mother's Day—a day on which to recognize and honor mothers for the roles they play in our families and society.

In recent years, the shape of family life has been changing. Increasing numbers of mothers have added outside paid employment to their traditional roles, and, similarly, fathers in increasing numbers are sharing home responsibilities with them.

Mothers nourish and support bodies, minds and souls; encourage good health; nurse illness; overcome discouragement and cheer success. They create and sustain an atmosphere that helps children and families thrive.

Mother's Day gives all of us an opportunity to thank our own mothers for their devotion and to acknowledge that every mother is essential to her family—the social unit on which our society is built.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby request that Sunday, May 9, 1982, be observed as Mother's Day. I direct government officials to display the flag of the United States on all Federal government buildings, and I urge all citizens to display the flag at their homes and other suitable places on that day.

In Witness Whereof, I have hereunto set my hand this 5th day of April in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 4:33 p.m., April 5, 1982*]

Proclamation 4923—Small Business Week, 1982

April 5, 1982

By the President of the United States of America

A Proclamation

Small business is the cornerstone of our free enterprise system and since the birth of this country has represented opportunity, independence, and the fulfillment of dreams for generations of Americans.

Combining the dynamic forces of individual initiative with an alertness to consumer needs, small business increases the flexibility of our economic system and is a leading source of innovation and technological advancement for much of our industry.

We are indebted to small business for its contributions to our success as a nation and dependent on its progress and vitality for our economic well-being. Small firms employ over half of the labor force and are leaders in employment creation and innovation; they also play an important role in expanding economic opportunities for women and minorities.

While small business is at the heart of our competitive system, it has been increasingly hobbled in recent years by excessive government regulation and taxation. We are currently addressing these problems through our programs for economic recovery. Our goal is to encourage the entrepreneurial spirit and to help usher in a new era of growth for small business. Toward that end, "The State of Small Business: A Report of the President," was sent to the Congress on March 1, 1982. It outlines key recommendations of this Administration.

Historically, small firms have enjoyed a special relationship with their communities. Now they not only will be leaders in the renaissance of their communities but also will be in the forefront of revitalizing the economy and bringing a new sense of direction to the American people.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim the week beginning May 9, 1982, as Small Business Week. I call upon every American to join me in this tribute.

In Witness Whereof, I have hereunto set my hand this 5th day of April in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 4:34 p.m., April 5, 1982*]

Proclamation 4924—World Trade Week, 1982

April 5, 1982

By the President of the United States of America

A Proclamation

The United States recognizes two of its most important responsibilities—to help restore growth and vitality to the world economy and to assure that all countries participate fully in international development. That is why America is committed to policies of free trade, unrestricted investment and open capital markets.

We also recognize that the international economic system can expand and improve only on a foundation of sound domestic policies in all countries. That is why this Administration is working so diligently to promote the economic well-being of the United States.

A vital interlocking part of our economy is our export activity. Every billion dollars in manufactured exports provides some 32,000 jobs for American workers. Exports account for almost six million U.S. jobs and generate billions of dollars in business for U.S. companies. Small wonder that this year's World Trade Week theme is "exports mean jobs."

For these reasons, the United States remains firmly committed to a liberal world trading system and an active role in future world trade negotiations. In such negotiations, the United States adheres to the principle of reciprocal trade concessions and commitments—a principle embodied in the General Agreement on Tariffs and Trade that has served the mutual interests of all trading partners.

Government can set the framework for expanded trade, but government cannot make trade flourish. This enormous power lies with private enterprise. When American private citizens act to increase trade, all America will benefit.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim the week beginning May 16, 1982, as World Trade Week, and I invite the people of the United States to join in ceremonies affirming that trade is essential to our well-being at home and abroad.

In Witness Whereof, I have hereunto set my hand this 5th day of April in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 4:35 p.m., April 5, 1982*]

Proclamation 4925—Parliamentary Emphasis Month, 1982

April 6, 1982

By the President of the United States of America

A Proclamation

In this the birth month of Thomas Jefferson, author of the first American manual on parliamentary practice, it is fitting that we reflect upon the importance of parliamentary procedure in the meetings of our private and public organizations. These procedures protect individual rights and majority rule and they assure orderly deliberation.

The Congress of the United States has, by Senate Joint Resolution 102, authorized and requested the President to designate the month of April, 1982, as Parliamentary Emphasis Month.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate the month of April, 1982, as Parliamentary Emphasis Month and call upon Federal, State, and local government agencies and the people of the United States to observe the month with appropriate programs, ceremonies, and activities, and I urge them to promote democratic processes and efficient organization of meetings through parliamentary practice.

In Witness Whereof, I have hereunto set my hand this 6th day of April, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 10:29 a.m., April 7, 1982]

Note: The text of the proclamation was released by the Office of the Press Secretary on April 7.

Executive Order 12357—Sinai Support Mission

April 6, 1982

By the authority vested in me as President by the Constitution and statutes of the United States of America, including Chapter 6 of Part II of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2348, 2348a-2348c), and Section 6 of the Special International Security Assistance Act of 1979 (22 U.S.C. 3404), Section 2 of Executive Order No. 11896, as amended, is further amended by adding thereto the following:

"(f) The functions vested in the President by Section 6 of the Special International Security Assistance Act of 1979 (22 U.S.C. 3404) are delegated to the Director.

"(g) The Director shall, as soon as possible after the Multinational Force and Observers becomes operational on April 25, 1982, phase-out the activities of the Mission in the Sinai and terminate all functions of the Mission not later than September 30, 1982.

"(h) The Secretary of State shall be responsible after September 30, 1982 for any residual actions which may be necessary to conclude matters initiated by the Sinai Support Mission.".

RONALD REAGAN

The White House,
April 6, 1982.

[Filed with the Office of the Federal Register, 10:30 a.m., April 7, 1982]

Note: The text of the Executive order was released by the Office of the Press Secretary on April 7.

White House Statement on the Dispute Between the United Kingdom and Argentina in the Falkland Islands

April 7, 1982

This morning the President met with his national security advisers to review the situation in the South Atlantic. After the meeting the President is departing for Jamaica, where he will meet with Prime Minister Seaga to further the close working dialog opened during the Prime Minister's visit last year. He then continues on to Barbados, where he will meet with leaders of eastern Caribbean countries to discuss regional issues of mutual concern.

In keeping with the initiatives the President has taken with both Prime Minister Thatcher and President Galtieri and his offer of assistance, the President has directed Secretary of State Haig to continue consultations with the Governments of the United Kingdom and Argentina in the interest of assisting both parties in the search for a peaceful resolution of the dispute in the South Atlantic.

The President directed Secretary Haig to proceed to London and Buenos Aires at the invitation of both governments.

Remarks on Arrival in Kingston, Jamaica
April 7, 1982

Well, Prime Minister Seaga and Mrs. Seaga, Nancy and I are very glad to see you again and appreciate very much meeting the distinguished members of your government who are here today.

When we met in Washington just after I took office, you told me of the energy, the skills, and the creative genius of your people. You told me of the beauty of this country and the hospitality of its people. Well, Nancy and I are delighted to have your kind invitation to visit Jamaica as so many Americans do each year.

When we last met, we agreed on the importançe of the Caribbean and the need to take vigorous action to strengthen the democratic governments and economies of Jamaica and our neighbors. Our talks convinced me that the talents of the Jamaican people, the peoples throughout the Caribbean, are the hope for the economic recovery of this region so near and so vital to all of us. The progress that you are making here with your own program shows what can be done when people living in a democratic society are given the opportunity to work and to enjoy the fruits of their labor.

As we agreed in Washington, the United States can best help by expanding the opportunity of your people and those of your neighbors to trade freely with us, to give them a chance to produce and sell their products in a competitive, free market. Trade lies at the heart of the proposals I sent to the Congress on March 17th to begin the initiative that we've been planning for almost a year. Our discussions here in Kingston will be valuable to me in learning how we can best go forward in carrying out the plans that we've laid. I learned a great deal from our earlier discussions, and I know these will be equally useful.

The success of our venture depends on cooperation, and cooperation is easier between friends who share the same ideals. For this reason we're pleased to find ourselves working together with the leaders of countries with such strong democratic traditions.

Jamaica is known in the United States not only for its beauty but for the courage of its people and the freedom they cherish and staunchly defend. Jamaica is an inspiration to all of us who believe economic development and freedom are compatible and in practice are mutually reinforcing. Freedom enhances the creativity of man. The reality of economic progress strengthens the people's faith in freedom.

I'm looking forward to our meetings with you and your Ministers and discussing the entire range of issues in our relationship. I know they will strengthen the already close ties of friendship between our two countries and continue the progress toward the goals of freedom and prosperity we seek for the Caribbean.

Thank you.

Note: The President spoke at 2:10 p.m. at the Norman Manley International Airport, where he was greeted by Loren E. Lawrence, U.S. Ambassador to Jamaica, Prime Minister and Mrs. Edward Philip George Seaga, and a delegation of Jamaican officials.

Following their arrival, the President and Mrs. Reagan paid a courtesy call on the Governor General of Jamaica, Sir Florizel Glasspole, and Lady Glasspole at King's House, the Governor General's residence.

White House Statement Following the Meeting Between the President and Jamaican Prime Minister Edward Philip George Seaga in Kingston, Jamaica

April 7, 1982

The President of the United States of America, Mr. Ronald Reagan, who is on a visit to Jamaica, paid a courtesy call on His Excellency Sir Florizel Glasspole and held discussions this afternoon with the Prime Minister, the Right Honorable Edward Seaga.

In the discussions with the President, Prime Minister Seaga expressed the appreciation of the Jamaican Government for the assistance which the United States Government has provided for Jamaica's economic recovery program. The Prime Minister noted that since his official visit to Washington in January 1981, a number of issues that had been raised at that time have been carried out. He noted the following:

—The signing of the Double Taxation Agreement, which facilitates the holding of conventions in Jamaica by giving the same opportunities to write off business expenses against U.S. tax liability as if the conventions took place in North America;

—The purchase of 1.6 million tons of bauxite for the U.S. Strategic Stockpile, which partially offset the reduction in Jamaica's export earnings from bauxite caused by cuts of bauxite/alumina production last year;

—The provisions of balance of payment support through the U.S./Jamaica Bilateral Economic Development Program, which has enabled the importation of raw materials and other essential supplies;

—The establishment of the U.S. Business Committee in Jamaica under the co-chairmanship of Mr. David Rockefeller and Mr. William Sneath, which is serving as a catalyst for the promotion of investment, technical assistance, and tourism. This Committee has so far initiated 46 investment proposals involving U.S. $130 million.

The Prime Minister emphasized that these special assistance programs have been fully and effectively utilized by Jamaica to produce a strong turnaround in the first year of the economic recovery program. He pointed in particular to the following:

—A growth rate of 1.8 percent in 1981, the first such positive growth since 1973;

—A balance-of-payments surplus at the end of the first year of the program—the first since 1974;

—Repayment of all outstanding arrears by March 31, 1982, 9 months ahead of program schedule with the IMF;

—Continued reduction of the unemployment rate;

—Reduction of the inflation rate from 28 percent in 1980 to 4.8 percent in 1981;

—Commencement of the restoration of the tourist trade, with hotel occupancy levels now of nearly 90 percent;

—Receipt of some 500 new investment proposals with a total capital investment potential of U.S. $800 million.

The President was impressed with the turnaround in the Jamaican economy. He was pleased that U.S. assistance programs had helped support the Jamaican economic recovery program. He noted Jamaica's well-established democratic and constitutional traditions, its respect for human dignity, and its strong, just, judicial and parliamentary systems. The President took note of Jamaica's severe economic and social difficulties and pledged the continued support of the United States in helping to overcome these difficulties.

The President congratulated the Prime Minister on the success of the first year of the economic recovery program and agreed with the Prime Minister's statement that this success had in large part been possible because of the determination of the Jamaican people to earn their way out of the problems of the past through investment and trade.

In these respects, the President noted, Jamaica was already giving emphasis to many of the strategies proposed in the Caribbean Basin Initiative. Both leaders agreed that the initiative's strategy to expand domestic production, strengthen the private sector, promote trade and investment, and pursue sound self-help measures was fully consistent with the recovery program being carried out in Jamaica.

Both leaders underlined the need for a concerted comprehensive effort to solve the economic problems of the countries in the Caribbean Basin area. The expanded market opportunities contained in the Caribbean Basin Initiative proposals offered a particularly important stimulus for economic development in the region.

They agreed that in the case of the eastern Caribbean special attention should also be given to the urgent infrastructure needs of the countries.

The President and the Prime Minister reviewed recent developments in Central America and the Caribbean, and noted with pleasure that the people of El Salvador have, in the March 28 elections, demonstrated overwhelmingly their commitment to the establishment of free democratic institutions in that country.

The President of the United States expressed appreciation for the hospitality shown to him and Mrs. Reagan and their entire delegation during their visit and said that it would serve to further strengthen the friendly relations exisiting between the two countries.

Note: The President met with Prime Minister Seaga at Jamaica House, the executive office building of the Prime Minister.

Following the meeting, the President went to the residence of Loren E. Lawrence, U.S. Ambassador to Jamaica, where he and Mrs. Reagan stayed during their visit to Jamaica.

Toasts of the President and Jamaican Prime Minister Edward Philip George Seaga at a Working Dinner in Kingston, Jamaica

April 7, 1982

Prime Minister Seaga. Your Excellency, Sir Florizel Glasspole and Lady Glasspole; President Ronald Reagan and Mrs. Reagan; Right Honorable Hugh Shearer, Deputy Prime Minister; Honorable Ministers of Government; Your Excellencies; distinguished guests; ladies and gentlemen:

It was but a little more than a year ago that myself and my wife, Mitsy, had the pleasure of being guests of our distinguished guests, President Ronald Reagan and his wife, in Washington. It was the occasion of myself and my wife being invited to be the first official guests of the then new government of the United States. And I can recall at that time that we hoped that the day would come very soon when we would have the opportunity of reciprocating the hospitality that we received in Washington. It is our great pleasure today to welcome President Reagan and Mrs. Reagan and their distinguished delegation to Jamaica and to have the opportunity of reciprocating that hospitality.

Our only regret is that their stay here is so short and that by virtue of the brevity of this stay, they will not have the opportunity to personally experience the revival of spirit, the renewal of hope, and the determination of purpose that now characterizes the new Jamaica. If they had the opportunity by virtue of a longer stay, this personal experience, I am sure, they would have felt in their journeys to other areas of the island where they would have had the opportunity to meet with Jamaicans in other walks of life.

I find some difficulty in offering a toast to the President of the United States. I would be more comfortable in offering several toasts, and I'm going to adopt the more comfortable line.

I offer, first of all, a toast to him as head of government and state for the extent to which his clarity of conviction and dedication to purpose has enabled a strengthening of U.S.-Jamaica relationships over the past year.

I would like you to look at the record. In that past year, we have had as a part of the strengthened bonds of friendship between our countries the enactment of legislation to allow for conventions to charge their business expenses against their U.S. tax liabilities. We have had the formation of a U.S. businessmen's committee, which has played a critical, catalytic role in initiating new investment for Jamaica. We have had the purchase, barter, and exchange of bauxite for the strategic mineral stockpiles by the General Services Administration of the United States.

Knowing well the rigors of the legislative and congressional procedures in the United States, it is nothing short of very impressive that all this has been accomplished in one year. It speaks highly of the level of positive leadership which you, Mr. President, have given to the implementation of your programs, a characteristic for which you are both well known and admired throughout the world.

I want to offer next a toast to you as a friend of the Caribbean. I recall the initial discussions which we had in Washington on the occasion of my visit with you as your guest, out of which was born the germ of the idea of the Caribbean Basin Initiative which has flowered today. I commend and congratulate you on bringing to the stage of formulation in one year a most comprehensive program of far-reaching benefits for the entire Caribbean Basin area.

It is true that there are still those amongst us who do not consider this comprehensive facility and mechanism to be perfect. And all things have imperfections. But to those who focus on the imperfections let me say that you, Mr. President, have focused a new light of opportunity on the Caribbean, where previously we had despaired of the darkness. And I would like those who think of the imperfections and of the darkness to remember the words of a former President of the United States, Richard Nixon, who said, "We have endured the long night of the spirit, but as our eyes catch the dimness of the first dawn, let us not continue to curse the remaining darkness. Let us gather in the light."

Finally, Mr. President, I would like to toast you not as a distinguished guest, not as a head of state or government, not as a friend of the Caribbean, but as an American. The journalists in particular often put the question to me about the degree of friendship which exists between Jamaica and the United States. I have tried in many ways to say to them that this friendship is not just a friendship of governments. Governments come and go, but the people remain forever. And in this case we are dealing with a case of friendship among the people of the two countries.

In our case we have documented that friendship. A distinguished professor of the University of the West Indies has over the years tested by polls the reaction of the Jamaican people to various policy questions which involve the relationship of the people of Jamaica to the United States. And I have compiled from those polls of Dr. Carl Stone the responses of the people of Jamaica, which is in this volume which I have as a surprise presentation to you tonight, Mr. President. And those polls are very revealing.

I will cite from a few of them the reactions of the people of Jamaica to questions that have been posed to them which bring into question the relationship and friendship between our people and your people.

The question is: "Do you think that Jamaicans have anything to fear from Americans?" And the answer is: "Jamaicans have something to fear from Americans," 13 percent; "Jamaicans have nothing to fear from Americans," 85 percent; no views, 2 percent.

"Do you think it is a good thing for Prime Minister Seaga to develop close ties of friendship with the new United States Government?" And the answers are: "A good idea," 85 percent; "not a good idea," 10 percent; no views, 5 percent.

Question: "The U.S. President has promised to help Caribbean countries as part of his government's fight against communism and his support for democracy. Do you think this is a good, or bad thing?" "A good thing," 78 percent; "bad thing," 7 percent.

A subsidiary question: "Do you think Jamaica should accept such aid from the U.S.?" Answers: "Jamaica should accept aid," 81 percent; "Jamaica should not accept aid," 12 percent; no opinion, 7 percent.

"Do you think that Jamaica is benefiting from the help we are getting from the United States?" The total sample says: Yes, 74 percent; no, 23 percent; don't know, 3 percent.

Mentioning countries likely to help Jamaica most, the sample reveals a positive response: The United States, 88 percent; Canada, 36 percent; the United Kingdom, 13; Venezuela, 8; and Cuba, 7 percent.

And I'm sure, Mr. President, that you will be very pleased with the next poll: foreign leaders most admired. I am very glad to report to you, Mr. President, that in this election you have won hands down in Jamaica by a vote of three to one over your nearest competitors.

Irregardless of what governments think, the people of Jamaica have their own views. And irrespective of the government in power, the people of Jamaica had these views through the last regime in power and through the present, and they have not changed. And it is a wise government that listens to the voice of the people. And when politicians, by artful contrivance, seek to separate us, they can separate governments if they may, but they can never separate the people.

Indeed, I'm not alone of this view. I can go back to the founding of the Republic of the United States, to the words of one of the most revolutionary heroes of the day, one of the most outstanding thinkers and statesmen, John Adams, second President of the United States of America, who envisioned the relationship between the United States and the islands of the Caribbean and who envisioned the difficulties and the contrivances by which politicians and others would try to separate us, when he said, and I quote: "The commerce of the West India Islands is a part of the American system of commerce. They can neither do without us nor we without them. The Creator has placed us upon the globe in such a situation that we have occasion for each other. We have the means of assisting each other. And politicians and artful contrivances cannot separate us."

Mr. President, I have the greatest pleasure in presenting you with this bound volume of these polls and that quotation. And so that lost in the archives in which this volume may be placed, these words may not fail to have their impact, we have by calligraphy reproduced them in the quotation—in this framed presentation to you—of the second President of the United States; not from me, but from the people of Jamaica to the people of the United States.

I thank you.

The President. The most Honorable Governor General of Jamaica, Their Excellencies, Sir Florizel and Lady Glasspole; Right Honorable Prime Minister and Mrs. Edward Seaga; the Right Honorable Deputy Prime Minister Hugh Shearer; Honorable Ministers of the Cabinet; distinguished guests:

Nancy and I thank you from the bottom of our hearts for the warm and gracious welcome that you've given us here in Jamaica. In the hours of flying down here today and seeing many of the islands for the first time and out over the vast blue of the Caribbean, it seemed as if we were getting a long way from home. It's very funny, but I feel very much at home right now.

It's been said here and it's true, Mr. Prime Minister, you were the first head of state to visit us in the White House after my Inauguration. From the beginning I felt a special sense of closeness and common purpose with you. Your election was only 1 week before my own, and we were both given mandates to restore economic health to our respective nations and to secure the freedom which is so dear to us all.

I followed your progress with great interest and admiration as in my country there's still much to do. But I congratulate you for the significant accomplishments that you've already made since our last meeting. Your courage and optimism have helped turn around a desperate economic situation.

For the first time in 7 years Jamaica has had real growth in its economy, and inflation has been dramatically reduced. You have set your country on a course for economic progress by making the hard decisions first and sticking to them. And I know from 14 months of experience how difficult that can be.

In the long run undeniably all of us in this hemisphere are tied to the same destiny. Today there's a greater common realization of this fact. For us in the United States, observing dedicated men and women only a stone's throw from our shore striving to better their lives and preserve their freedom is dramatic and inspiring. We want to do what we can to help as friends and neighbors.

The Caribbean Basin Initiative was presented to the Organization of American States 6 weeks ago. It is designed to complement the kind of development efforts that you are making here in Jamaica. It is our invitation to you and other Caribbean peoples to join a vast and bountiful market to participate directly on an independent basis in the potential and dynamic of our free enterprise system.

There are those who would follow another road. They rely not on freeing a nation's productive forces, but on usurping them. But the lesson of history is clear: The system of Marxist centralized planning has invariably led to economic stagnation and a loss of political freedom.

The only Caribbean nation which has totally enveloped itself in Marxism, a philosophy alien to this hemisphere, suffers economic deprivation and political repression. Its citizens flee by the thousands at every opportunity, even risking death in the process. The expansion of state control is not the road to progress; it's the road to serfdom. And for every serf, there is a master. Failing miserably to develop its own economy, the Marxist model in this hemisphere has become totally dependent on a dole handed out by a faraway, totalitarian power. The strings attached to that subsidy make a mockery of national independence.

This nation has undertaken large-scale attempts—not *this* nation—I should have said that nation that I'm talking about—has undertaken large-scale attempts to undermine democracy throughout the Americas, financed by its master across the sea. The turmoil in El Salvador bears the imprint of this interference. And the recent elections there unmasked the lie that there is popular support for Marxism in that country.

Braving bullets, ignoring threats of mutilation and death, the citizens of El Salvador streamed from their homes in the villages and towns, made their way to the ballot boxes so they could register their protest against Marxist tyranny. It was a triumph for democracy and a testimony to the courage of these brave men and women.

You had observers there of that election. We had a team of observers there. They came back and reported to me, and I told some of your people and the Prime Minister this afternoon of a lady standing for hours in the line, waiting for the opportunity to vote. She had been wounded by a ricocheted bullet, and she refused to leave the line and get treatment for her wound until she had gone in and voted her opinion.

Freedom-loving people in this hemisphere must stand shoulder to shoulder when liberty is threatened. There's a link between progress and political freedom. The United States has joined with other countries of the hemisphere to offer new opportunity to nations of the Caribbean Basin. The course we advocate leads to independence, each individual in each country, working through its own efforts in the marketplace to improve the life and well being of family and countryman. That is the real fruit of combining trade, investment, and aid, as we've done in the Caribbean Basin Initiative, and provides the start. But trade and investment activities provide the independence.

Knowing you as I do, Mr. Prime Minister, I'm keenly aware of your concern that economic developments improve the life of the poor and destitute of Jamaica. This passion for social justice has been a recognizable part of your character since you studied and lived with the less fortunate of Jamaica as a student. Your commitment to improving their lives eventually led you to politics, where as a member of Parliament, you represented one of Jamaica's poorer constituencies.

Mr. Prime Minister, you know full well that platitudes and humanistic rhetoric accomplish nothing in themselves and that socialistic schemes aimed at changing the nature of man and arbitrarily redistributing wealth destroy the potential for economic progress, thus condemning the poor to a life of misery. Alexander Bustamante, a great citizen of your country and the founder and president of the Jamaica Labor Party knew this. "The day we destroy private enterprise," he said, "we are going to destroy the same people we speak of as 'the suffering masses.' For without industries, we will never be able to decrease our unemployment materially."

I like to think that I share this view with you, and I share your compassion also, Mr. Prime Minister. We both realize that a commitment to social justice must be directed by reason, by economic principles that work, or no one will live a better life. You and I represent two peoples who believe deeply in their democratic traditions and the ideals of the New World. And together, our people can accomplish great, great things.

With this in mind, I ask all of you to join me in a toast to the people of Jamaica, showing the way to freedom and progress. And to you, Prime Minister and Mrs. Seaga, may we accomplish the goals that we have set for ourselves and for our countries.

Thank you all.

And, Mr. Prime Minister, you were very kind about suggesting that we come back for a vacation in this delightful place, which would be a great joy and pleasure. I have to tell you that if you'll just be patient for a couple of days after we've spoken to the ministers of the eastern Caribbean islands, and so forth, you will find it reported fulsomely that we had a lengthy, leisurely vacation while we were here. [*Laughter*]

Note: Prime Minister Seaga spoke at 10:20 p.m. at King's House, the Governor General's residence.

Following the dinner, the President and Mrs. Reagan returned to the residence of Loren E. Lawrence, U.S. Ambassador to Jamaica, where they remained overnight.

Nomination of Guy W. Fiske To Be Deputy Secretary of Commerce

April 8, 1982

The President today announced his intention to nominate Guy W. Fiske to be Deputy Secretary of Commerce. He would succeed Joseph Robert Wright, Jr.

Mr. Fiske is currently Under Secretary of Energy. Previously he was executive vice president and director of the General Dynamics Corp., St. Louis, Mo., in 1977–81. He was also chairman of the Asbestos Corp., Ltd. In 1972–77 he was corporate vice president and group executive of the International Telephone and Telegraph Corp. He was product line manager-worldwide in 1969–72 and product line manager-worldwide, controls and instruments, electrical and electronic devices, electronic components and plastics, in 1968–69. Mr. Fiske was manager, specialty equipment operation and computer support services, information systems equipment division, General Electric Co., Phoenix, Ariz. He was with General Electric for 20 years.

Mr. Fiske graduated from Brown University (B.A., 1943). He is married, has three children, and resides in McLean, Va. Mr. Fiske was born September 28, 1924, in Upton, Mass.

Remarks in Bridgetown, Barbados, Following a Luncheon Meeting With Leaders of Eastern Caribbean Countries

April 8, 1982

I am honored to be the first United States President to meet with leaders of the eastern Caribbean here in the islands where the history of this new Western World began.

Columbus found a thriving Indian civilization when he was sailing through these islands, and that blend of that culture and Spanish, English, Asian, and African has created a very rich culture. There are cultural differences making these island nations each unique in its own way, but at the same time I think that all are bound together with a common heritage of a love of freedom. But at the same time all are bound to each other in more ways than that. And I think the meeting here today serves notice on the world that our destiny is democracy, and the defense of that destiny is one that all of us share.

On the mainland, Central America, as we've been talking about them, rebels, supplied by the Soviet Union through Cuba and Nicaragua, are attempting to shut the door on democracy for the people of El Salvador. Very effective worldwide propaganda has tried to convince the world that Communist guerrillas and terrorists were freedom-fighters representing and having the support of the people of El Salvador. A week ago Sunday that lie was exposed for what it was, once and for all.

Guerrillas destroyed hundreds of buses, so people walked many miles under the threat of death to reach the polling places and vote. And they voted for democracy and against Marxism and the tyranny that it represents.

El Salvador isn't the only country that's being threatened with Marxism, and I think all of us are concerned with the overturn of Westminister parliamentary democracy in Grenada. That country now bears the Soviet and Cuban trademark, which means that it will attempt to spread the virus among its neighbors.

May I suggest that the Caribbean Initiative offers another and, I believe, quite different course. It aims at securing peace, prosperity, and freedom for the Caribbean nations by providing new opportunities for economic development. It is a series in a long-term commitment to make available to you more of the free enterprise system's dynamic and potential that serve the people of my own country so well. Your views will be helpful to me in working to get Congress to approve that plan.

Our ties to the nations of the Caribbean are many and strong, and we mustn't let them be weakened by neglect.

So, will you join me in a—and may I say, there's a custom in one city of America that maybe we should follow here today, and that is that in Philadelphia they only stand to toast the dead. So, we won't be toasting the dead; we'll be toasting freedom and the opportunity of those still in this New World. And let us hope that we can all remember the dream we share and the tie that binds us all together here in this Western Hemisphere.

Note: The President spoke at 2:51 p.m. at the residence of Milan D. Bish, U.S. Ambassador to Barbados.

Earlier in the day, the President and Mrs. Reagan left Jamaica and traveled to Barbados. They were greeted upon their arrival at Grantley Adams International Airport by Ambassador Bish, Prime Minister and Mrs. J. M. G. (Tom) Adams, and a delegation of Barbadian officials.

Following the welcoming ceremony, the President and Mrs. Reagan went to the U.S. Ambassador's residence, where the President held a meeting and a working luncheon with Prime Minister R. Milton Cato of St. Vincent and the Grenadines, Prime Minister Vere C. Bird, Sr., of Antigua and Barbuda, Prime Minister M. Eugenia Charles of Dominica, Premier Kennedy A. Simmonds of St. Christopher-Nevis, and Prime Minister Adams of Barbados.

Following the luncheon, the President went to Casa de Pablo, a private home *owned by Paul H. Brandt, president and chairman of the board of A. Brandt Co., Inc., of Ft. Worth, Tex. The President and Mrs. Reagan stayed at the Brandt residence during their stay in Barbados.*

Remarks at a Reception With Barbadian Prime Minister J. M. G. Adams in Bridgetown, Barbados

April 8, 1982

Sir Deighton, Lady Ward, Your Excellency Prime Minister, Mrs. Adams, Nancy—[*laughter*]—and you ladies and gentlemen:

Nancy and I are delighted to be here. And we have learned another thing, learned it on the way down here, as a matter of fact, and that is that I'm the first President of the United States since 1934 to visit the Caribbean. And I don't know if the others know what they missed. But for those that are still around, I'll be happy to tell them. [*Laughter*]

And then, of course, I have learned that your Parliament is the third oldest in the New World here and one of the two was a colony—Virginia—became a part of the United States.

But you did catch me a little by surprise when you started mentioning that previous career of mine. There's one thing about this job now; I'm on prime time in television. For a long time, I've been on the late, late show. [*Laughter*] And someone once asked me what it was like seeing myself in those old movies on the late show. It's like looking at a son you never knew you had. [*Laughter*]

Now, I appreciate your associating yourself with my generation. But I still think I have a little edge on you. I've been reminded of that many times, as to time. It isn't an edge, really, what I mean is that—well, I know what I mean. I mean I'm older than you are. [*Laughter*]

I once was talking to some young people about that very subject, because much had been made of it during the campaign. And I was mentioning things that when—that due to an older generation, we had made so many advances that were going to be so beneficial to the young people. And I said, "I, for example, have lived 10 years longer than my life expectancy when I was born, which turned out to be a source of annoyance to a great many people." [*Laughter*]

But, seriously, we are delighted to be here and for the purpose of our trip. I recognize that while our heritage goes back to about the same starting point, then in recent years, the ties of the Caribbean nations were more to Western Europe than they were to the United States. Any yet now, as we look at each other, we are nations of the Americas, nations of the Western World, and this is what prompted my coming up with what I call the "Caribbean Initiative." But together, because you are our third border for our country, well, that makes us a border of yours.

And I think it is important that we work together, we find ways in which we can better the life for all our people in all our countries, and this is the purpose of the Caribbean Initiative. And so, I was delighted for the opportunity to come down here and meet not only with your Prime Minister, your Governor General, but with representatives, leaders from several of the other countries here. And we today have been able to discuss some of the problems and the fact that we need your help, your advice and counsel on this plan to make it as workable as we think it can and should be.

And I can understand those people in New York that were desperate to get down here. I don't think it had anything to do with my visit. It's snowing in New York. [*Laughter*] And that seems a little unusual, but then Nancy and I come from the home of unusual weather—California. It's a land of sunshine and warmth like this, but it's also the only place in the world where you can fall asleep under a rosebush in full bloom and freeze to death. [*Laughter*]

So, we just want to thank you for a warm welcome. And I can't wait to get back and be dealing with our Congress on the matter of this initiative and tell them of the warmth that I found here, of welcome, the friendship that I found expressed by the people here, of Barbados, and those of the other countries of the Caribbean nations as well. And we just thank you.

We're sorry that the trip has to be as short as it is. But maybe there'll be a day when we can become tourists and come back here, and we'll set the schedule as to how long we can stay.

Thank you all very much.

Note: The President spoke at 8 p.m. at Ilaro Court, the official residence of the Prime Minister.

Prior to the meeting and reception at Ilaro Court, the President and Mrs. Reagan visited Sir Deighton H. L. Ward, Governor General of Barbados, and Lady Ward at Government House, the Governor General's residence.

Following the reception at Ilaro Court, the President and Mrs. Reagan attended a private dinner at the home of former movie actress Claudette Colbert. They then returned to Casa de Pablo, a private home owned by Paul H. Brandt, president and chairman of the board of A. Brandt Co., Inc., of Ft. Worth, Tex., where they remained overnight.

Radio Address to the Nation on the Caribbean Basin Initiative and Student Loans

April 10, 1982

My fellow Americans:

I'm speaking to you today from Bridgetown, capital of Barbados, the easternmost nation in a chain of beautiful islands in the Caribbean sea that swings south from the tip of Florida in an arc all the way to the shores of South America.

This Caribbean Basin is our third border. Through it come two-thirds of all our imported oil and over half the strategic minerals we need to import for industry and our national defense. As John Adams once said of these islands, "They can neither do without us nor we without them."

I came down here to discuss with some of the leaders of these island nations what we can do about problems we have in common. Wednesday, in Jamaica, I met with Prime Minister Seaga, the Governor General, members of the Cabinet and of Parliament. Day before yesterday, we flew here to Barbados for meetings with Prime Minister Adams, the Governor General, and leaders of five other eastern Caribbean nations. We took yesterday, Good Friday, off. And tomorrow we'll go to church and then fly back to Washington.

On March 17th, I sent the Congress a proposal for a Caribbean Initiative, a plan for trade, aid, and private investment aimed at strengthening the economies of these islands and the countries of Central America bordering on the Caribbean. We're joined in this effort by Mexico, Canada, Venezuela, and Colombia. I believe our plan is sound and in our best interest as well as theirs.

The meetings were worthwhile. And I'm looking forward to hearing from the congressional delegation which has been visiting some of the other islands while we're here.

There are other problems in the Americas. Two of our friends, the United Kingdom and Argentina, confront each other in a complex disagreement which goes back many generations. Because they're both our friends, I've offered our help in an effort to bring the two countries together. Secretary Haig has completed a visit to London and is now in Buenos Aires. We'll do all we can to help bring a peaceful resolution of this matter.

But now I'd like to take a few minutes to talk about a domestic problem. There's obviously a great misconception on the part of many young people with regard to the program of college grants and guaranteed loans and what we're doing with that program in the 1983 budget.

On many campuses, students are being told they may not be able to return to school next year. In some instances, they've even been incited to stage protest demonstrations against what have been called "Draconian cuts" in student aid. One columnist has written, evidently without checking, that millions of American youngsters won't go to college next fall because their government is snatching away grants and subsidized loans. Well, a lot of people have simply been misled.

It is true that the amount for guaranteed student loans will decrease from $2.7 billion this year to $2.4 billion in 1983, but not one dime of the money being cut has ever gone directly for loans to students. The actual loans that students receive under this program come from private banks and don't show up in the budget at all. If they did, they'd show the highest level ever—$1.6 billion more in student loan awards in fiscal 1983 than this year.

We haven't cut loans. We've cut the cost to taxpayers of making these loans available. Surely no one can quarrel with the reduction in administrative costs that results in more money for needy students.

About 44 percent of all enrolled college students will receive aid, and undergraduate students who demonstrate need will be eligible for a veritable laundry list of help—up to a $1,600 grant and up to a $2,500 guaranteed loan; work-study support, averaging $700 a year. A parent, regardless of wealth or income, will still be able to borrow up to an additional $3,000 a year. Graduate students will still be able to borrow up to $8,000 a year.

We've taken steps to provide greater aid for students from lower income families. The percentage of students from families earning $12,000 or less, receiving grants, will increase from 64 percent this year to about 75 percent. And the loans outstanding in the Guaranteed Student Loan program, available to future students, will increase by more than $10 billion next year—actually 10.1 billion.

In 1983 more than 4½ million students will receive aid from guaranteed student loans, and that's just one of the programs—a 22-percent increase over this year. All told, there will be 7 million grants and loans for a student population of between 11 and 14 million if you include even the part-time students.

Well, I'll be back next Saturday. Thank you. And Happy Easter, and God bless you.

Note: The President spoke at 1:06 p.m. from Casa de Pablo, a private home owned by Paul H. Brandt, president and chairman of the board of A. Brandt Co., Inc., of Ft. Worth, Tex., where he stayed during his visit to Barbados.

Proclamation 4926—American Salute to Cabanatuan Prisoner of War Memorial Day, 1982

April 9, 1982

By the President of the United States of America

A Proclamation

In all of the wars which America has fought, few of our citizens have been called upon to make the sacrifices and endure the hardships of those who were held captive. The American men, women and children who were incarcerated at Cabanatuan prisoner of war camp in the Philippine Islands during World War II suffered cruel and inhumane treatment, resulting in over three thousand deaths between May 1942 and February 1945.

The Congress has, by House Joint Resolution 435, requested me to designate April 12, 1982, as "American Salute to Cabanatuan Prisoner of War Memorial Day." We all should recognize the special debt owed to our fellow citizens who, while defending the ideals for which this great Nation stands, endured treatment which exhibited complete disregard for the most basic sense of compassion, moral standards and international obligations. Theirs was a lonely and painful experience with which few can associate. We should also remember the families of those prisoners who died at Cabanatuan, for the sorrow of their loss is a daily burden.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate April 12, 1982, the fortieth anniversary of the fall of Bataan and Corregidor, as "American Salute to Cabanatuan Prisoner of War Memorial Day," a day dedicated to those former captives held at Cabanatuan, to those who died there and to their families. I call on all Americans to join in honoring those who made the painful sacrifice of being held captive in war and their loved ones.

And I call on State and local officials and private organizations to observe this day with appropriate ceremonies and activities.

In Witness Whereof, I have hereunto set my hand this ninth day of April, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 11:23 a.m., April 12, 1982]

Note: The text of the proclamation was released by the Office of the Press Secretary on April 12.

Proclamation 4927—Asian/Pacific American Heritage Week, 1982

April 12, 1982

By the President of the United States of America

A Proclamation

The spirit of America lies in the richness of our diverse cultural heritage, with ties forged through the struggle of all of our people in the quest for freedom and opportunity.

Asian and Pacific Americans have long shared the dreams common to all Americans and borne the heartaches and triumphs of the American experience. In spite of years of struggle and toil, in spite of exclusion and incarceration and discrimination, peoples whose roots lie in Asia and the Pacific Islands have brought forth myriad contributions to this country—in the arts and literature, science, industry, commerce, government, and agriculture.

America owes a profound debt to its Asian and Pacific immigrants, who came to these shores to escape poverty and oppression. They brought to America a spirit which renews the hopes and ideals of the American Republic in forming a more perfect Union.

As we celebrate the accomplishments of Asian and Pacific Americans, we dedicate ourselves to overcoming the legacy of the past, knowing that the tasks in the struggle for full participation and equal opportunity remain incomplete. We are grateful to Asian and Pacific Americans for their presence and for their enduring belief in the unalienable right to life, liberty, and the pursuit of happiness.

Now, Therefore, I, Ronald Reagan, President of the United States of America, declare the seven-day period beginning May 7, 1982, as Asian/Pacific American Heritage Week. I call upon the people of the United States to observe this week with appropriate ceremonies and activities.

In Witness Whereof, I have hereunto set my hand this 12th day of April, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United

States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 3:34 p.m., April 12, 1982*]

Proclamation 4928—Dutch-American Friendship Day, 1982

April 12, 1982

By the President of the United States of America

A Proclamation

April 19, 1982 marks the two hundredth anniversary of the establishment of diplomatic relations between the Netherlands and the United States of America. This is the United States' longest unbroken, peaceful relationship with any foreign country.

From the very beginning, Americans and Dutch were drawn together by mutual ideals. The Pilgrims resided in the Netherlands for ten years before they set sail for the New World. During the Revolutionary War, the Dutch people demonstrated their widespread sympathy for the American struggle for freedom.

On the Dutch island of St. Eustatius in the Caribbean, the first foreign salute to the American flag took place on November 16, 1776; John Paul Jones was received as a hero in Amsterdam in 1779 when he landed with two captured British ships; and the Dutch Government entered into secret negotiations with the Continental Congress, starting in 1778, on the draft of a Treaty of Amity and Commerce.

But, most important, on April 19, 1782, John Adams was admitted by the States General of the Dutch Republic as Minister of the United States of America, thus obtaining the second diplomatic recognition of the United States as an independent nation. Adams also succeeded, on October 8, 1782, in signing the first Treaty of Amity and Commerce between the two countries. This recognition of the United States as an independent nation can be regarded as a key step in our country's efforts to take its rightful place in the world community of nations as a sovereign state.

During the dark days of World War II, America was able to return this early support for our nationhood. Thousands of our young men are buried on Dutch soil, having given their lives in the liberation of the Netherlands.

Today, the United States and the Netherlands share a joint commitment to our common security and the defense of freedom and our shared democratic values through our mutual membership in the North Atlantic Alliance. Our close economic ties reinforce our common philosophic and political goals, and the Netherlands is now the top foreign investor in the United States.

While the particular expression of our policies and actions has not always been identical, this recognition of common interests and shared ideals has been a hallmark of the continuously peaceful and productive relationship between the United States and the Netherlands for two hundred years.

In recognition of this long and fruitful relationship between our two countries and peoples, I do hereby designate April 19, 1982 as Dutch-American Friendship Day and call on all Americans to observe such day with appropriate ceremonies and activities.

In Witness Whereof, I have hereunto set my hand this 12th day of April, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 10:59 a.m., April 13, 1982*]

Note: The text of the proclamation was released by the Office of the Press Secretary on April 13.

Remarks on Private Sector Initiatives at a White House Luncheon for National Religious Leaders

April 13, 1982

Well, welcome to the White House. I almost didn't get up here. I'm so used to being an after-lunch speaker that—[*laughter*]—before lunch as a speaker threw me. I have just some brief remarks here, and then after we get through eating, why, we'll have something of a dialog instead of a monolog.

We just celebrated the happiest and holiest holidays of the Christian faith, and we're in the sixth day of the eighth day of Passover, a reminder of our nation's Judeo-Christian tradition. Today America's in the midst of a period of reevaluation about the role of our fundamental institutions, what functions are within the proper sphere of government, which of those should be left at State and local levels, how much can government tax before it infringes on our citizens' freedom and damages the economy's ability to grow and prosper.

For some time now I've been convinced that there is a great hunger on the part of our people for a spiritual revival in this land. There is a role for churches and temples that—just as there has been throughout our history. They were once the center of community activity, the primary source of help for the less fortunate, with the churches that ran orphanages, homes for the elderly, other vital services. As late as 1935, at the depth of the Great Depression, a substantial portion of all charity was sponsored by religious institutions. And today, as we all know, the field seems to have been co-opted by government.

The story of the Good Samaritan has always illustrated to me what God's challenge really is—the injured pilgrim lying by the roadside, those who passed by, and then the one man, the Samaritan, who crossed over to help him. He didn't go running into town and look for a caseworker to tell him that there was a fellow out there that needed help. He took it upon himself. Today, we've become so used to turning to government rather than taking the personal time and effort required to help those in need. Some even confuse charity as being the money that is given for lobbying to get more social programs passed.

I realize there is apprehension in the religious community about budget cuts, fear that we're trying to dump responsibility on others, including the churches, and I understand that concern. While we've quite justly, and out of economic necessity, cut some budgets, we have not, contrary to what seems to be the perception, abandoned America's commitment to the poor.

Critics notwithstanding, overall social spending on the part of government is up. For example, the budget for Health and Human Services will total $274.2 billion in 1983, an increase of 8 percent or $20 billion over 1982. And that's $53 billion more than the defense budget. Our budget for Health and Human Services alone is larger than the national debts of all the countries in the world—or any other country in the world, except the United States and the Soviet Union. It provides increases for Head Start, social security, Medicare, and other safety net programs.

By and large, when people speak about budget cuts, what they're actually referring to is the trimming of projected increases in spending. Well, there've been some cuts in some programs, programs that were inefficient, top-heavy with bureaucracy, or not coming close to accomplishing what they set out to do. Government spending, in general, and social spending, in particular, got out of hand during the last decade. The Federal budget tripled, even though defense spending, in real dollars, was decreasing. I mention defense, because most of the critics of the budget seem to want to draw that comparison as to what we're doing in that regard. But with this growth in government came double-digit inflation, economic stagnation, and high levels of unemployment. Something had to be done.

If you just take inflation; if it had kept running at the rate it was in 1980, rather than what we brought it down to, a family of four on a fixed income of $15,000 would now be about $1,000 poorer in purchasing power. Inflation, which was 12.4 percent in 1980, has been averaging 4½ percent for the last 6 months. To lay the groundwork for economic recovery, we had to make some changes. But we're maintaining our fundamental commitment to the poor.

We must recapture the spirit of brotherhood, however, of family and community that once was the hallmark of this country. We're trying to get people, once again, trying to help others directly. Accomplishing this is not simply a matter of raising money; it's not just reaching into our pockets but reaching into our hearts. I've established a Task Force on Private Sector Initiatives, chaired by Bill Verity, who is with us here today. It's coordinating a broad-range program that's beginning to have a tangible impact.

I appreciate that your presence here represents something of a commitment to provide the leadership necessary to build stronger working partnerships to tackle community problems throughout the country. But I'm not suggesting, nor have I ever suggested, that churches and other voluntary groups should pick up the dollar-for-dollar cost of reduced Federal programs. I just believe it would be a good thing for the soul of this country to encourage people to get involved and accept more direct responsibility for one another's health, happiness, and well-being, rather than leaving it to the bureaucracy.

When someone starts talking about accepting more responsibility, I know that many in organizations whose budgets are already pinched get a queasy feeling. Well, we all know the study of the 5,000 who were fed from what today would probably have been called a brown paper bag lunch—a few loaves and fishes. But somehow, God can take our limited resources and solve larger problems if we're willing to share and to have faith. Today I'm convinced that with God's help the American people are capable of great things and that we'll be blessed beyond all expectation if we only try.

George Bush's wife, Barbara, told me of a church that she visited in Atlanta, St. Luke's Episcopal Church. In the early seventies this church was in decline. It was losing membership and attendance. And then a few members realized that you only gain your life by giving it away. So, some of them started a food program. At first, it was just sandwiches at lunch for the needy of the neighborhood. Now it runs 7 days a week and serves up to 600 people a day. The church has also opened a building to an educational program for high school dropouts, which is jointly run by a nonprofit organization, the local school system, and members of the community. The church, incidentally, has grown tremendously in membership.

At this time of Passover we can be reminded of the wisdom of the Talmud, which says, "These are the things for which there are no prescribed limitations: the corner of the field for gleaners, the giving of the first fruits and the deeds of loving kindness. The fruit of these deeds is for them in this world, while the principle remains in the world to come." God's treasures surround us and are waiting for those willing to do His work.

Our task force on private initiatives, chaired by Bill Verity, has challenged the corporate community to double its philanthropic contributions. Today, while private citizens and corporations contribute $47 billion annually, 94 percent of U.S. corporations do not contribute more than $500 annually.

Now, contributions need not be in money. Companies can sponsor volunteer programs for their management and employees or even volunteer the use of their equipment. Prudential Insurance Company, for example, has the largest corporate vanpool system in the United States to bring their employees to and from work. Between office runs, their fleet of vans in Union County, New Jersey, is used to transport the elderly and the underprivileged. The potential for community projects like Prudential's van fleet is limited only by our imagination.

I suspect that those who manage corporations would be pleased to speak with the delegation of the local clergy with an idea of bettering the community. We must remember that many of those who run Americans' business do sit each week in church or synagogue here and there in the country.

If not the churches, whose job is it to touch the hearts of those who are not already involved? Pardon me if this sounds familiar, but: If not us, who? If not now, when?

Two years ago a Catholic nun, Sister Ruth Haney, and a Southern Baptist lady, Mrs. Janice Webb, discovered something in their town of Jefferson City, Missouri, that cried out for action. There are four prisons located in that city, and when families of the prisoners came to visit, many had to sleep in the park or under bridges. These two women of different faiths mobilized churches across the State, headed up a committee, and raised $46,000 from churches and individual members to buy an old rooming house three blocks from one of the prisons.

Individual churches took responsibility for renovating and furnishing the dozen rooms in the house and for the continued support of its operation. Mrs. Webb says, "Our sole purpose is to provide"—and I hope I'm pronouncing this right; I realized when I read the word I had never said it aloud—"agape, God's unconditional love to prisoners and their families." And so they named it the Agape House. They provide a bed and bath, but something deeper—the certainty that someone cares. This is the kind of spirit we need to draw upon.

In Chicago, Father Clements started the one-church-one-child program aimed at finding adoptive parents for minority children with special needs, handicapped children, children with learning disabilities, older children. The program, as its name suggests, asked each church to take responsibility to help one lost and lonely child find a home. In a year's time, 159 churches have responded to Father Clements' challenge, and he's taking the idea out of Chicago and going nationwide.

A few weeks ago, I met here in the White House with a group of 75 black ministers. It was a warm and inspiring meeting. Yes, they were concerned about our budget cuts. And we talked about that.

The black clergymen represent a noble tradition in this country. Their struggle to aid the poor, help the sick, and counsel the troubled has always been a real part of their ministry. I sincerely believe they have much to teach all of us about what can be accomplished. But today many black churches need a helping hand. If nothing else, I would hope that we see more religious organizations—black and white, Christian and Jewish—working together.

There is, for example, expertise in America's churches that could be put to use teaching the unemployed skills that would change their lives. Your churches and synagogues can be the catalyst to convene a strong community partnership that can and will make the difference.

It's time for me to sit down, but I'd like to end with this thought. We have problems in our country, and many people are praying and waiting for God to do something. I just wonder if maybe God isn't waiting for us to do something. And while no one else is capable of doing everything, everyone is capable of doing something.

This is the spirit that built and preserved our freedom, made us a humane and God-fearing people. It lives among us still, here in this house and across the land, and as long as it lives, so too will the America that we cherish.

And now it's my pleasure to invite His Eminence Terence Cardinal Cooke of New York City to ask a blessing on this lunch and this gathering.

Note: The President spoke at 12:09 p.m. in the State Dining Room at the White House.

Statement on the 239th Anniversary of the Birth of Thomas Jefferson

April 13, 1982

Thomas Jefferson remains one of the towering figures in American history 239 years after his birth. Statesman, scholar, inventor, farmer, and philosopher, he was, first and foremost, a champion of individual liberty. Throughout his life he was a tireless advocate of free expression and the sanctity of property, for he knew that, to be whole, freedom must be economic as well as political.

Thomas Jefferson also knew that too much government threatened human rights. "What has destroyed liberty and the rights of man in every government that has ever existed under the Sun?" he asked. And he answered, "The generalizing and concentrating all cares and powers into one body." Limited government, in a sound Federal system with essential powers properly distributed among local, State, and national bodies was his goal. For all governments his admonition was straightforward: "A wise and frugal government," he declared in his first Inaugural Address, ". . . shall restrain men from injuring one another, . . . shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned."

Much has changed in the last two centuries, but the principles Thomas Jefferson espoused still lie at the heart of our democratic society. May his 239th birthday be a time of national renewal when we commit ourselves anew to the proud, free heritage Jefferson bequeathed us.

Nomination of Louis G. Fields, Jr., for the Rank of Ambassador While Serving as United States Representative to the Committee on Disarmament

April 13, 1982

The President today announced his intention to nominate Louis G. Fields, Jr., for the rank of Ambassador while serving as United States Representative to the Committee on Disarmament. He would succeed Charles Conway Flowerree.

Mr. Fields served in the United States Army as lieutenant in 1952–54. He was in the private practice of law in Richmond, Va., in 1956–62, and an attorney with A. H. Robins in 1962–66. He began his government service as administrative assistant to United States Senator A. Willis Robertson (1966–67). He was a consultant-expert at the Agency for International Development in 1967–69. At the Department of State he was attorney-adviser in the Office of the Legal Adviser (1969–70), Assistant Legal Adviser for Politico-Military Affairs (1970–74), and Assistant Legal Adviser for Special Functional Problems (1974–81). Recently he has been on detail to the Arms Control and Disarmament Agency as United States Representative to the Committee on Disarmament.

Mr. Fields graduated from the University of Florida (B.A., 1950) and the University of Virginia (LL.B., 1956). He is married, has one child, and resides in Arlington, Va. He was born May 21, 1929, in Miami, Fla.

Appointment of Michael A. McManus, Jr., as Deputy Assistant to the President

April 13, 1982

The President today announced the appointment of Michael A. McManus, Jr., to be Deputy Assistant to the President and Deputy to the Deputy Chief of Staff.

Mr. McManus has been corporate counsel to Pfizer, Inc., a multinational health care company, and general counsel of its international chemicals division. He previously served in the Department of Commerce during the Ford administration.

On the White House staff he will work closely with Mr. Deaver on a wide variety of administrative and other matters. In addition he will be responsible for the planning and coordination of administrative and logistical matters related to the President's trip to Europe this June.

Mr. McManus graduated from the University of Notre Dame and the Georgetown Law Center. He also attended the Pace University Graduate School of Business. He resides in New York City and was born in Scarsdale, N.Y., on March 11, 1943.

Appointment of George Joseph Kanuck as Alternate Federal Member of the Delaware River Basin Commission

April 13, 1982

The President today announced his intention to appoint George Joseph Kanuck to be Alternate Federal Member, Delaware River Basin Commission. He will succeed Sherman Willard Tribbitt.

Since 1979 Mr. Kanuck has served as a member of the Pennsylvania House of Representatives and also maintains a part-time law practice in Allentown, Pa. Mr. Kanuck was an attorney with the Worth Law Office in Allentown in 1976–78; employment manager and director of safety and security, Oscar Mayer & Co., Inc., Philadelphia, Pa., in 1970–73; and was marketing representative, Atlantic-Richfield Co., Philadelphia, Pa., in 1967–68.

He graduated from the University of Dayton (B.A., 1965) and Suffolk University Law School (J.D., 1976). He is married, has two children, and resides in Bethlehem, Pa. He was born April 26, 1943, in Marion, Ind.

Appointment of Charles Roper Jeter as the United States Commissioner of the Ohio River Valley Water Sanitation Commission

April 13, 1982

The President today announced his intention to appoint Charles Roper Jeter to be Commissioner, representing the United States Government on the Ohio River Valley Water Sanitation Commission. He will succeed Rebecca W. Hanmer.

Mr. Jeter was chief, wastewater and stream quality control, South Carolina Department of Environmental Control, in 1976–81. He was director, industrial and agricultural wastewater division, in 1972–76, and was a chemist for the South Carolina Department of Environmental Control in 1967–72.

He graduated from Clemson University (B.S., 1963; M.S., 1971). He is married, has three children, and resides in Atlanta, Ga. Mr. Jeter was born March 1, 1942, in York, S.C.

Question-and-Answer Session With Reporters on Domestic and Foreign Policy Issues

April 14, 1982

The President. Wasn't it nice of us to get you all out in the spring weather here today? [*Laughter*]

Before taking your questions, I want to offer one or two remarks concerning the situation before us in the South Atlantic. From the outset, we've made clear our wish to assist in finding a basis for resolution of this difficult issue. It was for that purpose that I sent Secretary Haig to both capitals last week. During his travels I've remained in close communication with him, and today have had the benefit of a thorough report on where matters stand.

The situation is most sensitive. Nonetheless, ideas have been presented which are being seriously considered on both sides. Peace is our common cause. In the interest of finding a solution, I've asked Secretary Haig to return shortly to Argentina for further talks. In view of the sensitivity of this situation, I'll have no further comment on this matter. It wouldn't be appropriate at this time, and I will defer all questions until further developments occur.

Q. Sir, we're just going to have to ask you about the reports that the United States is helping Great Britain in several ways in this crisis. Can you not comment on that?

The President. I cannot comment. This situation is too critical that any comment, I think, can be taken one way or the other and endanger the peacekeeping or peacemaking process. So——

Q. I understand, sir, but the last time you spoke you said that both sides were our friends and you implied that there was a certain evenhandedness in our attitude. Is that still our position?

The President. We are still trying to be a fair broker in this situation and bring peace. And again, things lose translation between here and when someone may hear them on either side. That's why the safest thing is to not comment.

Q. Mr. President, just how sensitive is this situation? How much time does Secretary Haig have—does the United States have to bring it to some resolution?

The President. I don't think anyone could speculate on that as to what the time situation is.

Q. Mr. President, how concerned are you that Israel will find some pretext or put some pressure on Menachem Begin to renege on his pledge to return the Sinai to Egypt?

The President. All I can tell you is that I have his pledge that the turnover is going to occur and that they're going forward with the Camp David—in the framework of the Camp David talks. And we have Secretary Stoessel over there talking to them about various problems. And so I'm going to have confidence in that statement that he's made to me.

Q. When are you going to stop the bloodshed——

The President. What's that?

Q. ——the Israeli occupation against the Arab shooting of children and women and——

The President. Well, this is a tragic affair. Obviously, the individual who perpetrated that horrible deed at the temple is deranged, and now for this to lead to the great unrest, yes, it's a great tragedy.

Q. Are you willing to consider a temporary surtax of, perhaps, 4 percent as part of a package to reduce the deficit?

The President. The discussions that are going on, and of which we're not—I'm not participating, are discussions that are exploring every avenue of what can be a package that, hopefully, can bring about a bipartisan move to meet the problems, deficit problems that we face this year. And I have not been party to any of the many alternatives, both with regard to revenues and regard to cuts in spending that have been made.

And what will happen is the leadership on both sides—myself on this side and the Speaker and others on the other, Congressman Wright—when the discussions have led to something that they think is a package that now has reasonable success of being negotiated out, then we'll treat the thing in the whole, the whole package. So I'm not going to have any comments on consideration on any of these things that are being talked about.

Q. Mr. President, you're not—there are those who feel, because of your strong stand for tax reduction, that the surcharge has, sort of, automatically been ruled out. You're not doing that, are you, here?

The President. I'm neither ruling out nor ruling in, because, as I say, I'm on the sidelines until those who are carrying on the discussions—and they're not negotiations, they are discussions—feel that they have something that has a possibility of success with both sides, and then I will see it.

Q. How close are they?

The President. I understand that they're reasonably optimistic with the discussions that have been going on.

Q. When, Mr. President—next week do you think you'll become personally involved? Senator Dole said the other day it was time for the principal players to suit up for the game, yourself and Speaker O'Neill.

The President. Well, they're coming close, but I'm going to—they're going to have to set that time when they decide that it's time to come forward and say, "Here, our discussions have led to this."

Q. What do you think the chances are that Secretary Haig can find peace?

The President. Again, this would be commenting in a way that could be detrimental to the process that's going on. I'm just going to say that what he's doing—I think we should all be hoping, and we should all be praying. And he's working extremely hard, as you know, on this.

Q. Mr. President, does Jim Baker have your authority to proceed the way he's been proceeding in discussing, at least, the surtax and other tax issues?

The President. He's there, but mainly he's there observing and listening and, as I say, it is not—it's been portrayed as negotiations; they're not. So, he's there with my encouragement to go forward with this process.

Q. Sir, according to the participants, he's been doing more than listening; he's been suggesting and offering ideas as well.

The President. Well, I'm sure in a discussion-type meeting that there are moments when that takes place. But he's not going there in the sense of going with positions that I have backed or offered or said, "Do this or do that."

Q. How would a surtax fit in with your supply-side philosophy, with what you hope will be an incentive to people to invest?

The President. Well, again, you've asked me—well, I'm just not going to comment while they're going forward. I want them to complete their discussions, and then I'll look at the package as a whole.

Q. Have you considered that?

The President. But I won't comment on any particulars until I get the whole package.

Q. You haven't said anything about whether the U.S. is supplying any intelligence information to the British. But could you comment on reports that the Soviets are supplying intelligence information to the Argentinians?

The President. Well, that has been reported and evidently is established. And I think that it's a—I'd like to see them butt out.

Q. You're meaning you're confirming it?

Q. You'll confirm one but not the other?

The President. What?

Q. You mean it's not too sensitive to confirm the Soviet involvement?

The President. No, no. I said all I know is what I've heard and read, and if that's going on, why, I would rather——

Q. How does this affect the whole balance of the situation in the whole Latin American region with the Soviets, who you claim are helping the Nicaraguans and the guerrillas in El Salvador, siding with the Argentinians, who are apparently against the Nicaraguans? I mean, how does this——

The President. Yes, but now, you see, you've just made my case for me. You've just indicated that there's no way to comment on these things without running the risk of saying something or creating some perception that will make it more difficult for Al to do what he's doing. So I just can't do it.

Deputy Press Secretary Speakes. This will have to be the last question.

Q. Can we go back to the budget?

Mr. Speakes. One question.

Q. Ed Rollins says that Republicans on Capitol Hill who don't support your program should be disciplined. Do you agree? And if so, what's the difference between the Democrats last year who supported your program? Shouldn't they have been disciplined?

The President. Well, no, I don't agree. And I intend to support as many Republican candidates as I can in the coming election year. And I've never used that—in spite of all the inferences in the many meetings that I've had with legislators on the issues that have come up and the votes, and so forth—I have never used anything or attempted anything but to try and persuade them to my viewpoint. And there's never been any club held over any of them.

Mr. Speakes. Thank you. Thank you.

Q. Will you talk to Mr. Rollins about that?

Mr. Speakes. That's got to be the last question. Sorry.

Q. Will you speak to Mr. Rollins about that?

The President. What?

Q. Will you speak to him about that? Or have you?

The President. He says it's the last question.

Mr. Speakes. Last question.

Q. Next time you hold one of these, will you let us carry it live? Because I think you didn't say anything that you wouldn't mind being heard live, did you?

The President. I never say anything that I wouldn't mind being heard live. [*Laughter*]

Q. Well, we'll tell your aides that you said that, sir. [*Laughter*]

Q. Thank you.

Note: The President spoke at 11 a.m. in the Rose Garden at the White House.

Remarks on Signing Executive Order 12358, Establishing the Presidential Commission on Drunk Driving

April 14, 1982

I won't make the mistake I made last week; I'll say my few words up here. Last week I sat down where I was to sign, then said the few words, and then was reminded by all the gentlemen with the cameras that they hadn't heard anything because I wasn't in front of the microphones. [*Laughter*]

Well, before we get started with that, I want all Americans and everyone present to know that I am a strong believer in safety belts. It isn't true though that I have one on my saddle. [*Laughter*]

The White House press corps seems to have an interest in any facts and figures that I use, so I hope they report on the numbers I'm about to give, because you simply won't hear any figures more important than these. Nearly 50,000 people were killed on our highways last year. Now, out of this statistic comes an even more chilling one. Drunk driving. Drunk drivers were involved in 25,000 of those fatalities, in addition to 750,000 injuries a year. In other words, half of all automobile deaths involve drunk drivers.

During this short ceremony at least one person will be killed by a drunk driver. I'm afraid to think who it may be. All of us have heard the tragic stories about the young mother with her new baby, the grandmother out with her grandchildren, or the father and son going to Little League practice killed by a drunken driver.

Americans are outraged that such slaughter of the innocent can take place on our highways. Our anger and frustration are matched only by the grief of those who have lost loved ones in such accidents. But there are useful preventive measures we can take. The highway safety campaign that we're launching is aimed at the areas where a little prevention can pay big returns in saving lives and reducing injuries.

First, we intend to hit hard at the major threat on our highways, the drunken driver. So, today I am announcing the formation of a commission to lead this effort and to act as a catalyst for grassroots action, for even though drunk driving is a problem nationwide, it can be solved only at the State and local level. Yet the Federal Government also has a role to play. John Volpe, the former Secretary of Transportation, himself has agreed to be the Chairman of this important panel. With his leadership and that of the rest of the commission, we will advocate a strong approach to reducing drunk driving accidents across the country.

Some accidents of course will inevitably persist. But let me give you another interesting statistic. About half of all the people who die in passenger cars, light trucks, or vans could have been saved if they had been wearing seatbelts. Think of it—half. They could have been saved with just one little click of the buckle. And so, the second part of our traffic safety program is to make motorists more aware of the importance of safety belts and their effectiveness in saving lives.

When I was Governor of California—and I can hear my staff now saying, oh, no, no, here we go again—[*laughter*]—but back when I was Governor of California, about 25 percent of all Americans used safety belts. Today only 10 percent of our people are wearing them. We're going to get that percentage back up there where it was and then go higher.

What is already heartening about this effort to make our highways safer in the support of organizations—or is the support, I should say, of organizations of the private sector. Citizens at the grassroots are organizing to help State and local authorities expand their fight against the drunken driver.

The mood of the Nation is ripe to make great headway against this problem, and that's exactly what we intend to do. By working together we can look forward to creating greater safety on our streets and highways.

And now, I am going to sign the proclamation that creates the commission on wearing safety belts and drunk driving.

Note: The President spoke at 11:46 a.m. at the ceremony in the Rose Garden at the White House.

Executive Order 12358—Presidential Commission on Drunk Driving

April 14, 1982

By the authority vested in me as President by the Constitution of the United States of America, and in order to aid the States in their fight against the epidemic of drunk driving on the Nation's roads, it is hereby ordered as follows:

Section 1. Establishment. There is hereby established the Presidential Commission on Drunk Driving. The Commission shall be composed of no more than 26 members appointed by the President. In addition, the Majority Leader of the Senate and the Speaker of the House of Representatives are invited to designate two Members of each House to participate. The President shall designate a Chairman from among the members of the Commission.

Sec. 2. Functions. The Commission shall undertake to:

(a) heighten public awareness of the seriousness of the drunk driving problem;

(b) persuade States and communities to attack the drunk driving problem in a more organized and systematic manner, including plans to eliminate bottlenecks in the arrest, trial and sentencing process that impair the effectiveness of many drunk driving laws;

(c) encourage State and local officials and organizations to accept and use the latest techniques and methods to solve the problem; and

(d) generate public support for increased enforcement of State and local drunk driving laws.

Sec. 3. Administration.

(a) The heads of Executive agencies shall, to the extent permitted by law, provide the Commission with such information on drunk driving and highway safety issues and such other support as it may request for the effective performance of its functions.

(b) Members of the Commission shall receive no compensation for their work on the Commission. However, the Secretary of Transportation may allow members to be reimbursed for travel expenses while engaged in the work of the Commission, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the government service (5 U.S.C. 5701–5707).

(c) The Department of Transportation shall, to the extent permitted by law and subject to the availability of funds, provide the Commission with such administrative services, funds, facilities, staff and other support services as may be necessary for the effective performance of its functions.

Sec. 4. General Provisions.

(a) The Commission is authorized to conduct public meetings and utilize such other procedures as it may deem necessary for the effective performance of its functions.

(b) The Commission shall terminate one year from this date.

RONALD REAGAN

The White House,
April 14, 1982.

[*Filed with the Office of the Federal Register, 3:27 p.m., April 14, 1982*]

Appointment of 20 Members of the President's Committee on Mental Retardation

April 14, 1982

The President today announced his intention to appoint the following individuals to be members of the President's Committee on Mental Retardation.

Kathleen M. Barrett has been serving as a volunteer at the Washington Hospital Center establishing communications programs for inservice facilities. She resides in Potomac, Md., and was born February 17, 1944.

Richard E. Blanton, Ph. D., is currently associate director of the Illinois Department of Mental Health and Developmental Disabilities, division of developmental disabilities, in Springfield. He was born April 8, 1930.

Lee A. Christoferson, M.D., is chairman of the department of neurosciences at the University of North Dakota School of Medicine. He resides in Fargo, N. Dak., and was born June 9, 1921.

Dorothy Corbin Clark, R.N., has been serving as legislative consultant to the Utah State Nurses Association and as vice chairman, Governor's Advisory Council, Utah Occupational Safety and Health Administration, since 1974. She resides in Provo, Utah, and was born October 8, 1924.

Vicki Marie Click has been involved in a number of community activities in Tucson, Ariz. She was born June 14, 1944.

Thomas J. Farrell is a chartered life underwriter for Thomas J. Farrell and Associates in Santa Rosa, Calif. He was born June 10, 1926.

Madeline B. Harwood is a member of the Vermont State Senate. She resides in Manchester Center, Vt., and was born July 7, 1914.

Elsie D. Helsel, Ph. D., is professor emeritus of the Center for Human Development, Convocation Center, Ohio University in Athens, Ohio. She was born July 10, 1915.

Lawrence A. Kane, Jr., is an attorney with the law firm of Dinsmore and Shohl in Cincinnati, Ohio. He was born Septemer 27, 1929.

Richard J. Kogan is executive vice-president of Schering-Plough Corp. in Summit, N.J. He was born June 6, 1941.

James L. Kuebelbeck is president of Williams-Kuebelbeck and Associates, Inc., in Redwood City, Calif. He was born December 21, 1932.

D. Beth Macy is currently director, developmental disabilities, State Department of Health, in Lincoln, Nebr. She was born February 26, 1947.

Timothy J. O'Brien is deputy director, SSI/Disabled Children's Program, Office of Mental Retardation and Developmental Disabilities, State of New York. He resides in Delmar, N.Y., and was born October 29, 1938.

Frederick J. Rose is a retired businessman and rancher and resides in Ocean Ridge, Fla. He was born January 2, 1929.

Raymond M. Peterson is director, San Diego Regional Center for the Developmentally Disabled. He resides in La Jolla, Calif., and was born September 27, 1936.

Anne Crellin Seggerman is president and founder, Fourth World Foundation, Inc., in Fairfield, Conn. She was born May 13, 1931.

Marguerite Timlin Shine was involved in the field of social work for 12 years, including work for the Department of Public Welfare in Washington, D.C. She resides in San Francisco, Calif., and was born April 13, 1929.

Lila Thompson is a volunteer worker and State advisory board member for the Department of Mental Health and Retardation. She resides in Richmond, Tex., and was born March 18, 1922.

Virginia J. Thornburgh is an active volunteer working with mentally retarded and physically handicapped persons. She resides in Harrisburg, Pa., and was born January 7, 1940.

Ruth A. Warson, R.N., is a guest lecturer, Mount Saint Mary's College, and is vice chairman, community advisory committee, Los Angeles Unified School District. She was born April 11, 1928.

Proclamation 4929—Crime Victims Week, 1982

April 14, 1982

By the President of the United States of America

A Proclamation

The innocent victims of crime have frequently been overlooked by our criminal justice system. Too often their pleas for justice have gone unheeded and their wounds—personal, emotional and financial—have gone unattended.

The rule of law is fundamental to the preservation of the democratic principles and ideals that law-abiding Americans cherish. Our commitment to criminal justice goes far deeper than our desire to punish the guilty or to deter those considering a lawless course. We must never forget that our laws represent the collective moral voice of a free society—a voice that articulates our shared beliefs about the rules of civilized behavior, and reflects our basic precept that men and women should be treated as free individuals, responsible for the consequences of their actions. When we countenance the suffering of innocent victims of crime, we thus threaten to undermine the faith of our citizens in a legal system that lies at the heart of much that is unique and precious about our Nation itself.

We cannot afford for law-abiding Americans to lose that faith. At a time when crime remains a serious national problem, we must be ever-more zealous in our pursuit of law and justice. In that pursuit, we must never forget that the victims of crimes are not merely statistics on a police blotter; they are our friends, relatives, neighbors and fellow citizens. They are entitled to better treatment, and it is time to do something about it.

The plight of innocent citizens victimized by lawlessness deserves immediate national attention. I have, therefore, decided to establish a Presidential Task Force on Victims of Crime, to be composed of members of the public with particular knowledge and expertise in the area of victims' rights, that will evaluate current national, state and local policies and programs concerning this important issue and recommend executive and legislative action to improve our efforts to assist and protect victims of crime.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim the week beginning April 19, 1982, as Crime Victims Week. I urge all Federal, state and local officials involved in the criminal justice system to devote special attention to the needs of victims of crime, and to redouble their efforts to make our system responsive to those needs. I urge all other elected and appointed officials to join in this effort to make our justice system more helpful to those for whom it was designed to protect. And I urge all citizens, from all walks of life, to remember that the personal tragedy of the victim is their own tragedy as well.

In Witness Whereof, I have hereunto set my hand this 14th day of April, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 12:00 noon, April 15, 1982]

Note: The text of the proclamation was released by the Office of the Press Secretary on April 15.

Remarks to the National Catholic Education Association in Chicago, Illinois

April 15, 1982

Thank you, Bishop Cummins, Madam Mayor, and distinguished guests here on the platform:

I thank all of you very much for your most warm welcome. I'm also glad to see Congressman Hyde and Dan Rostenkowski here with me today. I know that Congressman Hyde and I have shared a relationship in our interest in social causes that are of interest very much to the Catholic community. And I have to say that Dan Rostenkowski has been such a stalwart in our attempts to resolve our budget problems in Washington in a bipartisan manner. And I'm grateful to him for that.

Before I begin talking about some of the things that I think are of immediate concern to you in this kind of a meeting, could I just say to those who obviously and very sincerely are motivated by a deep desire for peace in the world that I share that desire. And whatever we're doing in Washington today in this regard is aimed at one purpose and one only: to make war impossible and never again have to bleed a generation of young Americans into the battle—[*applause*]. Thank you very much. [*Applause*] Thank you.

Now, I'm sure you realize that it's something of a risk for any government official to appear in public on income tax day. [*Laughter*] I'm delighted to have this opportunity to be among leaders and educators in the Catholic community, a community of Americans who have done so much to bring sustenance and fulfillment to people around the world. I'm grateful for your help in shaping American policy to reflect God's will; for your efforts to allow Americans to provide direct aid to the people of Poland. And I look forward to further guidance from His Holiness Pope John Paul II during an audience I will have with him in June.

But I have come to speak with you today about other subjects of mutual concern—about the strength and the future of American families, about the education of their children, and about the increasing strains placed on both by current levels of taxation. I believe that working Americans are overtaxed and under appreciated, and I have come to Chicago to offer relief. I have come to propose further restoration of the incentives and the choices that were our inheritance and that encouraged our people to build the greatest nation on Earth.

We've already taken historic strides. Last year, with the help of a bipartisan coalition in the Congress, we enacted the largest tax cut in history for the working men and women of America. But to give you an idea of what we're up against, that tax cut will barely offset the increases that had already been built into the system. Despite all the moaning you've been hearing in Washington about huge tax cuts running up the deficit, our tax reduction program has not meant that government revenues are going down. The United States Treasury is still taking in more money every year than the year before. In 1981 personal taxes actually went up by about $41 billion.

Raising taxes is no way to balance the budget. History proves it doesn't work. Taxes went up by more than 200 percent in the last decade, and we still had the largest string of deficits in our history, because, you see, while taxes were going up 200 percent, spending was increasing over the same period by over 300 percent. If people are serious about balancing the budget they must cut spending. Suggestions to repeal the third year of our tax cut would stifle our recovery and hike the tax bill for working families.

I believe the working families you see every day are already weary and overburdened, so I've come to Chicago to propose another tax bill that would allow them to keep a little more of their own money. I have come to propose a tuition tax credit for parents—[*applause*]—thank you very much. Thank you. Thank you. Maybe I should have saved that for last. [*Laughter*] But this tax credit will be for parents who bear the double burden of public and private school costs.

Now I know you've heard promises before. Politicians in the past promised tax credits and broke those promises. But this administration is different. We're a bunch of radicals. We really intend to keep our promises, and we intend to act on the will of the people.

In 1980, while campaigning, I promised to base this administration's policies on the primacy of parental rights and responsibility. I pledged to expand education opportunities by supporting a tuition tax credit plan that would permit parents to take a credit on their income tax for each child they have in private school. And today, as your President, I keep that pledge.

I'm pleased to announce that after consulting with congressional leaders, we will send to the Congress, later this spring, draft legislation to be known as the Educational and Opportunity Equity Act. Our bill will be aimed at the middle- and lower income working families who now bear the double burden of taxes and tuition, while still paying local taxes to support the public schools. Working families would be able to recover up to half the cost of each child's tuition. Our proposal is fair, equitable, and designed to secure the parental right to choose.

Key elements of our draft proposal include a limited coverage provision that would restrict credit to parents of children in private, nonprofit elementary and secondary schools—I wish we could include college as well, but you know the budgetary constraints that face us today that we're working under, so I look forward to a day when we can expand this bill—a phase-in of the credits beginning in 1983 to be completed in 1985, a maximum credit of $500 per child, an income cap proposal to ensure the benefits go to working families, and a policy of nondiscrimination to ensure that credits are not available to parents sending their children to schools which discriminate on the basis of race.

Now, it's important to understand that we do not propose aid to schools. This bill will provide direct benefit to individuals. It's proposed as a matter of tax equity for working, taxpaying citizens. We don't seek to aid the rich, but those lower and middle-income taxpayers who are most strapped by inflation, oppressive taxation, and the recession that grips us all.

I'd like to think that we're offering help to the inner-city child who faces a world of drugs and crime, the child with special needs, and the families who still believe the Lord's Prayer will do them less harm in the schoolroom than good.

In 1979 a majority of all parents who had children in private elementary and secondary schools had incomes of $25,000 or less.

Secondary school parents pay average tuition costs of $900, while also supporting their community public schools through local taxes. Our proposal is intended to relieve, as I've said before, that dual financial burden threatening to usurp the traditional right of parents to direct the education of their children.

Today, more than 5 million American youngsters attend thousands of religious and independent schools because of emphasis on values or the type of teaching available. Their parents have made that choice at great cost and sacrifice. They've made it because the education of their children is their greatest concern.

Senator Patrick Moynihan, Democrat of New York, said a few years ago—[*applause*]—I'll tell him you responded to that—[*laughter*]—"It's time that we acknowledged the ordinary family's insistence on providing its children with the best obtainable education results in costs that the Federal Government should help it to bear—not by giving it a handout or a gift, but simply by allowing it to keep a bit more of the money it earns for itself." Well, I wholeheartedly agree, and I think most of you do as well.

At the same time, we must recognize that America today faces real fiscal difficulties, difficulties which cannot be ignored in scaling and shaping the tuition tax credit proposal that we're making. Our responsibility as parents and citizens requires no less of us.

It's no accident that we who are the freest people on Earth have an educational system unrivaled in the history of civilization. We know that knowledge and freedom are inseparable, and we also acknowledge the right of every individual to both. They cannot be arbitrarily apportioned according to race, station, or class.

The Pledge of Allegiance, now missing from too many of our classrooms, concludes with the affirmation that we are "one nation under God . . . with liberty and justice for all." America embraces these principles by design and would abandon them at her peril.

Private education is no divisive threat to our system of education; it is an important part of it. Our public schools offer quality education to our children and are the heart of our communities. We must ensure that their classrooms continue to provide the finest education possible. But alternatives to public education tend to strengthen public education. Taken together, public and private institutions sustain the diversity that has made our culture rich.

Excellence demands competition among students and among schools. And why not? We must always meet our obligation to those who would fall behind without our assistance. But let's remember, without a race there can be no champion, no records broken, no excellence—in education or any other walk of life.

This freedom to choose what type of education is best for each child has contributed much to America's reputation for excellence in education. Unfortunately, the high plane of literacy and the diversity of education we have achieved is threatened by policymakers who seem to prefer uniform mediocrity to the rich variety that has been our heritage.

As competition has lessened, so has quality. As taxes and inflation have ballooned, choices have evaporated. Together we must restore the pluralism that has always been the strength of our society.

Our leaders must remember that education doesn't begin with some isolated bureaucrat in Washington. It doesn't even begin with State or local officials. Education begins in the home, where it's a parental right and responsibility. Both our public and our private schools exist to aid our families in the instruction of our children, and it's time some people back in Washington stopped acting as if family wishes were only getting in the way.

"Train up the child in the way he should go," Solomon wrote, "and when he's old he will not depart from it." That is the God-given responsibility of each parent, the compact with each teacher, and the trust of every child.

This city of Chicago is a good example of the strength that pluralism and freedom of choice have provided our people. Chicago has long been a magnet for immigrants who have come to this country to make a better life. For them, education was not simply another part of American society—it was the key that opened the golden door. It was the best path to progress for their families. And it's been an indispensable part of the growth of our nation and the prosperity of all our people.

Many of your Catholic schools were first opened to serve these new Americans. Today, generations later, they serve other Americans who find themselves at a disadvantage. The Nation's largest black Catholic school stands in the middle of one of Chicago's poorest neighborhoods. It imposes strict academic and religious requirements, and yet it still receives 1,000 more applicants a year than it can accept.

Such statistics explain why Americans at every economic level believe education is still something to sacrifice for. It still offers the promise of a better life. It's still the hope of our people.

Who will really benefit from tuition tax credits? Well, according to the Most Reverend James P. Lyke of Cleveland, "the people who will benefit most" are "minorities and the poor."

Reverend Lyke said that inner-city parents desperately need to be told by this government: "You may educate your children in the schools of your choice as guaranteed by the Constitution, and you'll be able to do so even though you may be poor, whether or not you live in the cities or the suburbs or the rural areas of this country."

Well, those Americans have not forgotten what education and freedom can do. They know that freedom is the only truly essential possession we have, and education is freedom's guide. These are not easy times for a great many Americans, but the future looks dark only for those who've lost faith in our people and in the promise of individuals who are educated and free. The rest of us should welcome the future, knowing that with God's help it is ours to shape.

Together with your colleagues in other independent and public schools, you are molding each rising generation. You're working with parents to fill young minds with the knowledge and young hearts with the morality, the understanding and compassion that they will need to live in happiness and fulfillment. In the meantime, we in Washington must make sure that freedom, the other half of education, is still secure when your students graduate.

We must make sure that the incentives to use their education are not destroyed by an oppressive taxation. We must be sure the Federal Government doesn't soak up the lion's share of our gross national product, that regulations don't choke off technology, and that interest rates don't ruin the dream of self-employment.

As your boys and girls become adults and they marry, we must have an economy which will permit them to own their own homes. The values of work and family and neighborhood must not become things of the past. A job must be there for every American who wants one, and inflation must be controlled so that wages have real meaning.

And after your students have spent their lives turning your theories into reality, earning a living and providing for their families, we must have a society that will reward them with security. In short, we must end the excessive taxes and spending that has wrecked our economy and mocks the ambition of our poor and middle classes. We must open the way for more productivity and more employment. We must generate new jobs and new opportunities for all our citizens. At the same time, we must realize there are some among us who cannot help themselves. Our hungry must be fed, our elderly must be cared for, and those who are cold must be clothed and given shelter. No one must be left behind in our drive for progress.

Such a commitment from this administration may come as somewhat of a surprise to you. If I didn't know better and believed all the wailing going on in Washington, I'd be confused as well. But let me set the record straight: Our massive budget cuts have only reduced the size of the *increase* in Federal spending to less than it was the previous year. Or, I should say, forgive me, we have never proposed reducing Federal spending to less than it was the previous year.

Let me give you a few examples of the level of human services that we've proposed in the 1983 budget.

—The Federal Government will subsidize approximately 95 million meals per day, or

Photographic Portfolio

REAGAN
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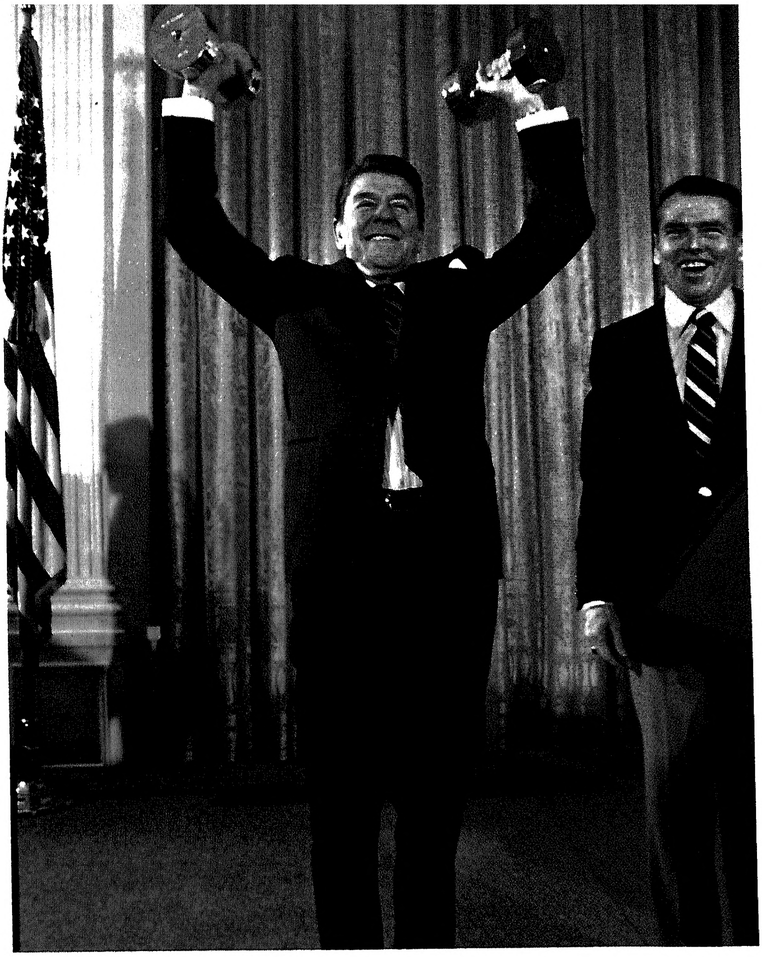
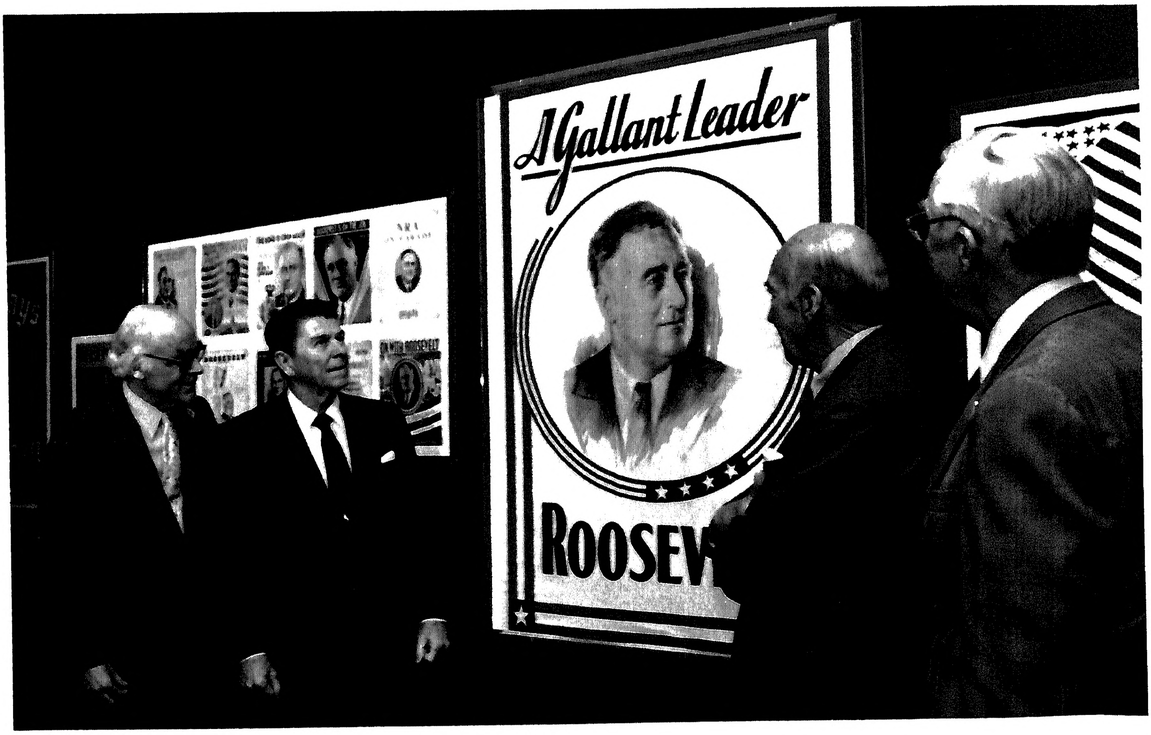
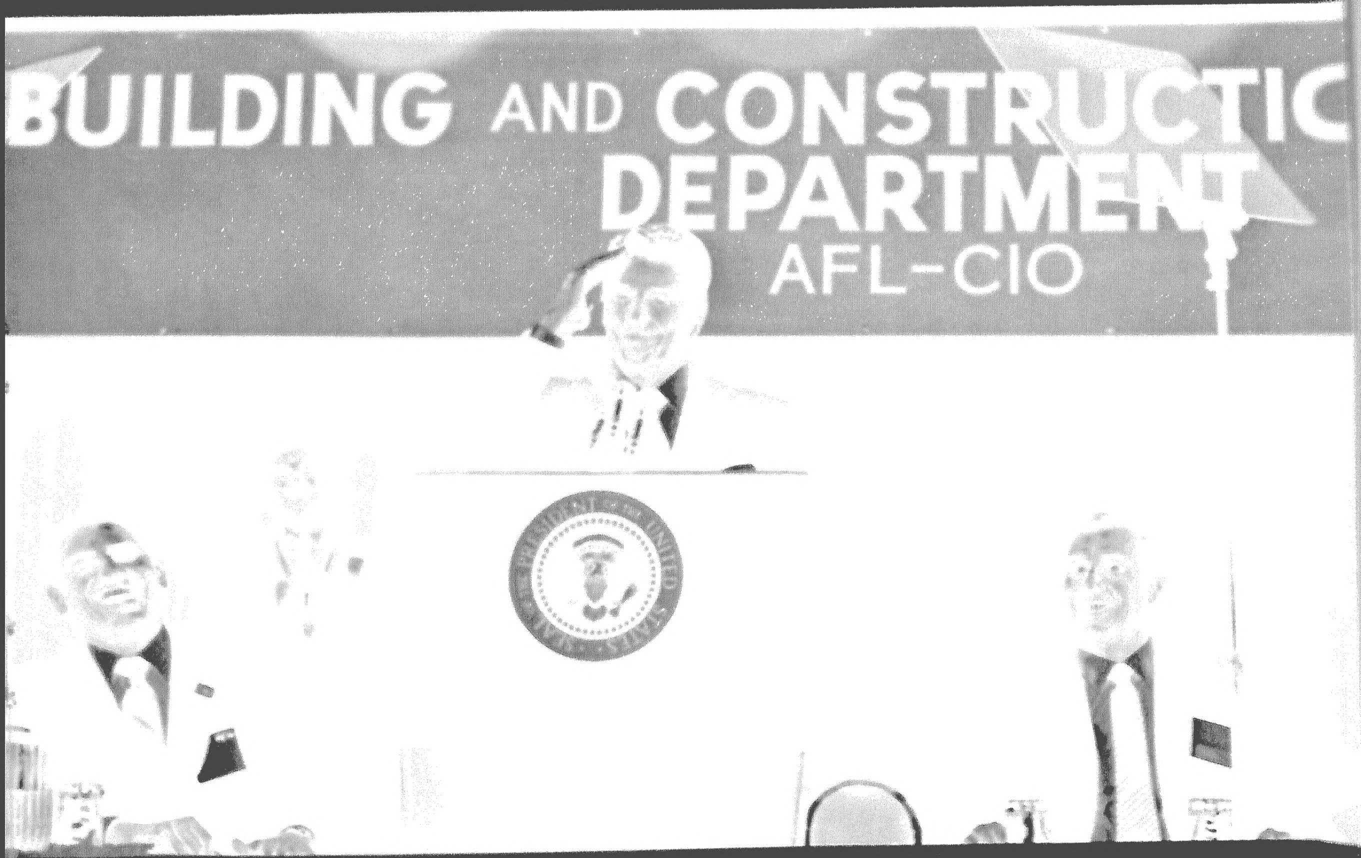
Overleaf: Departing the White House for Camp David, Md., to prepare for the State of the Union address, January 22. ***Above left:*** With Brig. Gen. James L. Dozier at the National Prayer Breakfast, February 4. ***Below left:*** At a luncheon for the National Hockey League All-Star Teams in the East Room, February 8. ***Right:*** With George Allen, Chairman of the President's Council on Physical Fitness and Sports, at a reception in the East Room, February 2. ***Below:*** Touring an exhibit commemorating the centennial of the birth of President Franklin Delano Roosevelt at the National Museum of American History, January 28.



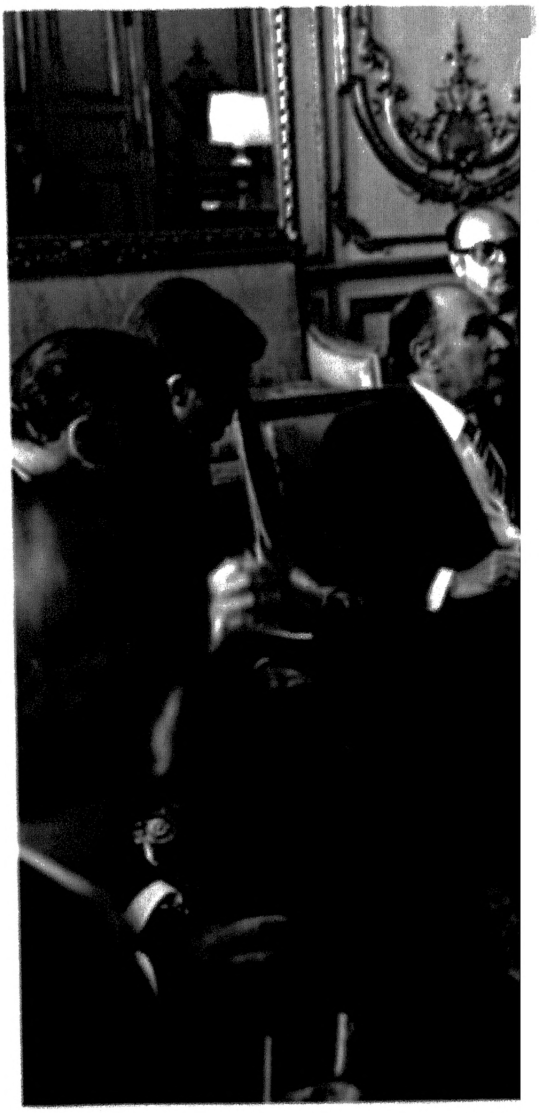


NATIONAL CONFERENCE
OF CHRISTIANS & JEWS

Left: Accepting the Charles Evans Hughes Gold Medal from the National Conference of Christians and Jews, New York City, March 23. ***Below:*** Signing the Afghanistan Day proclamation in the East Room, March 10. ***Above right:*** Accepting the honorary chairmanship of the VIIth Paralympic Games in the Oval Office, April 22. ***Below right:*** At the National Legislative Conference of the Building and Construction Trades Department, AFL–CIO, April 5.


BUILDING AND CONSTRUCTIC
DEPARTMENT
AFL-CIO

Left: Walking with British Prime Minister Margaret Thatcher during the Versailles Economic Summit Conference in France, June 4. ***Right:*** Opening ceremonies for the Knoxville International Energy Exposition (World's Fair), Knoxville, Tenn., May 1. ***Below:*** Meeting with French President François Mitterrand during the Versailles Economic Summit Conference in France, June 4. ***Overleaf:*** Addressing a joint session of the Congress on the State of the Union, January 26.



14 percent of all the meals served in the United States.

—About 3.4 million American households will receive subsidized housing assistance at the beginning of 1983. And by the end of 1985, under our proposals, 400,000 more households will be added to the list.

—In all, Federal programs will provide over $12 billion to education aid to students. And this amount will provide for 7 million grants and loans, giving assistance to almost half of all the students in the country who will enroll in college during the next school year.

—Through Medicaid and Medicare, the Federal Government will pay for the medical care of 99 percent of those Americans over the age of 65 and a total of 20 percent of our population—approximately 47 million aged, disabled, and needy people.

—Twenty-eight percent of all Federal spending will go the elderly, an average of $7,850 per senior citizen in payments and services.

—About $2.8 billion will be spent on training and employment programs for almost 1 million low-income people, nearly 90 percent of whom will be below the age of 25 or recipients of Aid to Families with Dependent Children.

Now, these are just some examples of what is in the 1983 budget that some are charging is an inhumane denial of help to America's needy. Perhaps our greatest program for the poor, the needy, and those on fixed incomes, however, has not been a subsidy, it has not been more welfare, and it didn't arrive in the form of a government check. We have increased the purchasing power of our people.

After an unprecedented 2 years of back-to-back double-digit inflation, we achieved in the first year of this administration an inflation rate of—single digit—8.9 percent. But during the last 6 months, inflation has averaged only 4½ percent.

Now, what does that mean in purchasing power? Well, if inflation had kept running at the rate it was before the 1980 election, a family of four on a fixed income of $15,000 would be $1,000 poorer in purchasing power than they are today.

Now, I don't think Americans value a handout nearly so much as a hand up. Past policies have locked millions of our people in place on the bottom rung of our economic ladder. We must be sure that our government never again stands in between our families and prosperity. We must aid those who need us, but we must not hinder those who need only a chance.

Years ago, the Secretary of the Massachusetts Board of Education, Horace Mann, said education "beyond all other devices of human origin is a great equalizer of the conditions of men—the balance wheel of the social machinery."

The immigrants who came to Chicago, the poor in our inner cities, the middle classes stuggling to make ends meet—these Americans still believe the American dream. They still yearn for prosperity and still sacrifice so that their children will enjoy it. They mark progress by the level of education reached by members of their families. Parents who never finished high school send their children to college. Each generation stands upon the shoulders of the one before as our nation and our people reach for the stars.

We must keep those dreams alive. We must provide the learning, shape the understanding, and encourage the spirit each generation will need to discover, to create, and to improve the lot of man. But we must also preserve the freedom they will need both to pursue that education and to use it.

Together, with God's help, we must ensure that in Abraham Lincoln's words, our children and our children's children to a thousand generations will continue to enjoy the benefits that have been conferred upon us. It is a sacred trust.

Thank you, and God bless you.

Note: The President spoke at 10:37 a.m. at McCormick Place. He was introduced by the Most Rev. John Cummins, chairman of the NCEA board of directors and bishop of Oakland, Calif.

Question-and-Answer Session With Students at St. Peter's Catholic Elementary School in Geneva, Illinois

April 15, 1982

Mr. Sheppard. Mr. President, I'd like to have you meet our teacher of our eighth grade here [1] and the eighth grade students at St. Peter's School. President Reagan, we're very, very pleased to have you with us, and here are our students.

The President. Well, I'm pleased to see all of you. I'm very pleased. Someone once said that civics class—that's where you study what you read in the paper the day before. But I know better than that, having been in civics classes myself.

We don't have very much time here together. So, I think better than me trying to make any kind of a speech to you, what we should do is get to a dialog and a back and forth. I just came from speaking to a great meeting of teachers and educators there in Chicago and told them about our proposal in Washington for a tuition tax credit for parents of children going to schools like this. So, that's my civic contribution for the day. So, why don't you ask me any questions you might have.

Mr. Sheppard. Don't be bashful now; ask questions. Raise your hand.

Tuition Tax Credits

Q. How soon should we see the tax credits or the benefit of them?

The President. The benefit of the tax credits? Well, we're going to phase it in. It would start—if, of course, the Congress passes the legislation we're presenting—it would start being phased in in '83, that's next year, and be completed by '85. We have to kind of take it easy to start with, because of our budget deficits and the problem we're trying to solve on that.

Q. If the tax deduction is passed, what kind of influence can local government have on private schools?

The President. Well, this will not allow any government interference in any way in education, because the aid is going directly to the parents of children who are going to the schools. So, this will not lead to any government direction or interference in any way in education, if that was the meaning of your question.

Air Traffic Controllers

Q. Mr. President, do you think the government will ever relent on the hiring freeze of ex-air traffic controllers?

The President. All that clicking of cameras—I'm going to have to come a little closer to hear.

Q. Do you think that the government will ever relent on the hiring freeze of ex-air traffic controllers?

The President. Did you say air traffic controllers?

Q. Will the government ever hire them—the ex-ones?

The President. There were some who have been taken back and were hired back because they were able to establish that they were pressured into leaving. And now, the needs are being met very rapidly in the towers with applicants and trainees who are training to become air controllers, and I don't think there will be any further move in that direction.

The law provides that anyone who is discharged from government service is ineligible. We gave a waiver that they could get jobs—a waiver to that law so that they could get other jobs in government if they wanted, but we had—our loyalty had to go to those who stayed in and kept the airlines flying.

Inflation

Q. Mr. President, do you think—[*inaudible*]—brought under control, and if so, how would you go about doing it?

The President. Well, we've already begun doing it. Inflation was 12.4 percent when we began our administration and—it's figured every month and then it's averaged over the year—so it ended the year of 1981 with an average of 8.9 percent, down from

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[1] *Deborah Bray, eighth grade homeroom teacher.*

12 percent. But in the last 6 months, now, inflation has been running at 4½ percent or less. And so the answer to it is, of course, now resolving this recession and getting people back to work and all. But I look for inflation to continue down and getting even less, and, of course, the ultimate is to get it to zero. So, it is very much under control.

Now, do you all understand, really, what inflation means to your families and to all of you in purchasing power? I'll bet you do, because you're in the civics class here. But inflation—really, we think about it as high prices—actually, the high prices are just a reflection of the lowered value of the money. It means when it was 12.4 percent that at the end of the year the dollar would buy 12.4 percent less than it would buy at the beginning of the year. Well, now the dollars are only shrinking by 4½ percent—cents out of the dollar, so we'll do better.

Unemployment

Q. Mr. President, when do you think there will be more jobs for people?

The President. More jobs for people? The answer to that has to be making it possible for the ecomony to expand, and by that I mean with this great unemployment, we're down now to where many industries are only working at a fraction of their capacity to produce. And this has been, I think, because the government over the years has been taking an increasing amount out of the earnings of the people and the gross national product. It reduces the ability of the private sector to expand and produce the jobs that we need for our people.

Now, unemployment, unfortunately, is the last thing that gets resolved when you come out of a recession; it's the last thing that catches up. But it does catch up. This was why we passed our tax program last year, that we phase in three installments of taxes—5 percent last October 1st; there will be a 10-percent cut in the income tax in July and another 10-percent cut next year. And at the same time, we cut the taxes for business with regard to their ability to modernize their plant and equipment, to keep up with modern technology.

Today, one of the reasons that we're not so competitive as we could be, and used to be, with other countries like West Germany and Japan is because they have invested and they are producing with much more modern equipment. I have been in steelplants in Taiwan and in Japan and here in our own country, and I have seen the difference. It isn't that their workers are any better; it's that they've got better tools.

Now, I think that the program that we're embarked on—reducing of government spending, reducing of taxes at the same time—is going to lead and is leading now to a recovery where there will be this modernization. And that's the only way to provide jobs for our people.

Incidentally, in spite of the fact that the reported—that March unemployment went up, the statisticians in Washington have funny ways of counting. There were, in March, actually 88,000 fewer people unemployed than there were in February. And there were 525,000 more people employed than there were in February.

Interest Rates

Q. Mr. President, what actions can you take in regards to the Federal Reserve Board about lowering the high interest rate?

The President. Well, at this point, first of all, the Federal Reserve Board is totally autonomous. There is no administration and there's no government that can tell them, "Do this," or "Do that." They're absolutely independent under the law. And it's true that they have had a policy over recent years of treating recessions like this with variations of the money supply, releasing a lot of money into the market, and then inflation went up as well as interest rates and so forth. I have to say right now, they're holding to a very sound policy of the normal increase in the money supply to keep pace with our own natural growth.

The interest rates are up now simply because of the fear on the part of the money markets that inflation won't stay down where it is, that as it's done in the past, it'll go back up again. And we're trying to convince them that isn't so. And I think pretty soon, when we announce—when we can announce a bipartisan agreement on what we're going to do with regard to spending and taxes and so forth in '83, that maybe they will then get the confidence to come down.

Here's why inflation pushes interest rates up. If you have money to lend—and when I told you a little while ago about the dollar losing its value, if you're going to lend money, say, on a mortgage over 20 years, and every year your dollar is going to lose a little of its value to where at the end of 20 years it's only worth about that much of what it was when you loaned it, you would have to get enough interest to compensate for that loss in the value of the dollar, and then on top of that, get the normal rate of interest as a return on your lending the money.

So, when interest rates were 12.4, they had to start with charging 12.4 in the interest just to meet inflation, and then on top of that, how much more they wanted to make or earn on their money.

Well, now, that's down to 4.5. By all rules, the interest rates should be down much lower than they are. But, as I say, they're just fearful, and until we can convince them that we really mean it, to stick with our program, they won't come down.

Although, the other day, a banker in a little town in Indiana did something I recommend to a lot of bankers. To help the automobile dealers, he put $2 million of the bank's money up for loan and lowered the interest rates 4 percent below what the market rate is today, provided they borrowed the money to buy automobiles. And people are flocking there to get those loans at the lower interest rate and buy automobiles.

President's Economic Theory

Q. Mr. President, would you please explain Reaganomics to us in a brief summary that we could understand?

The President. Reaganomics. I didn't give it that name. [*Laughter*] I think some of the people around the room here [*referring to reporters*] helped create that name.

No, it's basically a theory I—my degree in college was in economics. And I remember studying how the classic economist back at the turn of the century always believed that these cycles of recession and hard times and so forth came when government took too much out of the private sector. Well, now, government has been doing that, as I said before.

What we are doing is trying to reduce government spending to where we stop having the constant deficits that are just built into our system. When the Federal Government has to go into the money market and borrow a lot of money to pay the deficit—that it's spending more than it takes in—then that helps push interest rates up, just from supply and demand. There are more people out there wanting to borrow than there is money to borrow when the government is taking the biggest share of it.

So, the other thing was to provide incentive again so that people would be willing to invest, businesses get money to expand and to grow by selling stock or by borrowing in the market. And so we have cut the individual tax rates to give the individual an incentive to work, to be willing to work overtime if he's asked to. When the tax rates are too high, there's no incentive for people to do that. A person says, "I'd rather go fishing, because if I work to earn that extra dollar, I have to give so much of it to the government."

I saw an example of that very often in Hollywood in the old days, when there were income tax rates as high as 90 percent. And you'd be offered a picture, to play a role in a picture, and you already knew that your earnings had pushed you up in that 90-percent tax bracket, so all you'd get was 10 cents on the dollar if you made the picture. So you said, "I'm not going to make the picture."

So, it is a combination of reducing government spending and reducing taxes on individuals and punitive taxes that were assessed against business, so that business can afford to expand and modernize.

Tuition Tax Credits

Q. Mr. President, can the Federal Government support Catholic education of schools?

The President. Can the Federal Government support——

Q. ——Catholic education in our schools?

The President. I didn't get the right phrase there at the last. I heard, but I——

Q. Can the Federal Government support

Catholic education of schools?

The President. Support Catholic education of schools? No, this is ruled to be the separation of church and state that they can't do that, but this is why we're proposing a program that we think will help, by getting the aid through the tax credits directly to the parents and that this will help solve the problem.

I think both can benefit, because in that regard there could be tuition tax increases without penalizing the parent at all, because its advantage is the money that would otherwise have gone to taxes.

Line Item Veto

Q. Mr. President, in trying to pass a bill, have you ever wanted to add or subtract an amendment?

The President. Oh, yes. And I'll tell you, when I was Governor in California, the Governor had the right of what's known as line item veto, and so you could veto parts of a bill or even part of the spending in a bill. The President can't do that. The President must take the bill as it comes to him and either veto the entire bill. So, there's grown up in the Federal Government a little device whereby they hang an amendment of something that you really wouldn't want—someone particularly wants it, they want it—they hang it on a bill that you just cannot veto, some very necessary bill, and thus they get it passed.

I think, frankly—of course, I'm prejudiced—I think government would be far better off if the President had the right of line item veto.

Mr. Sheppard. Mr. President, I think maybe one more question according to your time schedule. Who has the best question?

The President. Well, it sounded good, but there were two hands went up, almost identical, at the time. Could I take those two if I make it short?

Mr. Sheppard. Of course, Mr. President.

The President. All right.

Cost of Education

Q. Mr. President, what can be done to bring the cost of education down so that the children in the middle-income group can attend college?

The President. Well, the cost of education has, again, been a result of inflation and, as we cure inflation, that is partly resolved.

But our program has been quite misunderstood—of loans and grants to college students of demonstrated need, who could not otherwise go. And that program has in it something in the neighborhood of $12 billion. The Federal Government is providing some 7 million loans and grants for the roughly 11 million college students that there are in the country. And all a student has to do is prove that they have—that otherwise they couldn't go. And in proving that need, it will not only depend on the family's income but also the number of children in the family to be educated, whether there are any unusual medical problems, and so forth. So, there is that kind of aid. But in addition, there are all kinds of other scholarship programs and even independent loan programs.

There was no such thing as a Federal program when I went to school, but I had to work my way through school; in fact, I washed dishes in a girls' dormitory. [*Laughter*] And I also had to borrow before I got out, but I borrowed from a private foundation that was set up where people contribute the money to a foundation just to lend, and then you pay the money back after you get out of school.

So, I think that there are sizable and good aid programs and even work-study programs to help.

Now, the young boy in the rear of the room. This does it then. I'm sorry.

Gun Control

Q. Mr. President, do you have any future plans on gun control?

The President. Future plans on——

Q. ——gun control.

The President. Gun control?

Q. Yes.

The President. This basically belongs back at the State level. You must remember, the Constitution, in the tenth amendment, says the Federal Government shall do only those things prescribed in the Constitution.

But I believe in California that we took the path of gun control that was best. I don't believe there's any way you can keep the criminal from getting a gun, just as you can't keep them from trying to steal anything they want. Now, the law that we passed in California, I heartily recommend to any society. We passed a law that said if a criminal is convicted of a crime and had in his possession a gun at the time he committed the crime, whether he used it or not, add 5 to 15 years to the prison sentence. And on top of that, then passed another law that said no judge can find a prisoner guilty who had a gun in the commission of a crime, and then give him probation. He must go to prison. And I think making it so costly to carry a gun is far more enforceable than trying to keep them from getting it.

Washington, D.C., has probably the strictest gun laws in the United States, and there are some 20,000 gun laws now in the United States. And yet March 30th a year ago, a young man that disabled me—he was in Washington, D.C., in broad daylight, out on the public street, standing, made his way among the press corps as I came out of the building, and all those laws did not keep him from having a gun and not only shooting me but shooting three other people.

So, as I say, I think the penalties—and one last thing I'll add to that. Years ago in England—England was always very proud of the fact that the English police did not have to carry guns. And the reason they didn't have to carry guns—and this sounds very cruel, and I'm not recommending this, but I just point out what that kind of a threat can do. In England, if a criminal carried a gun, even though he didn't use it, he was not tried for burglary or theft or whatever he was doing, he was tried for first-degree murder and hung if he was found guilty. They said that the fact that he carried the gun meant that he had premeditated using the gun to kill someone if necessary. And so the criminal stopped carrying guns, and the police didn't have to carry guns, and it all worked out very well until they eliminated capital punishment and changed things.

Well, they've told me I've used up all the time.

Ms. Bray. Mr. President, is it possible for this class to come up and get their civics books autographed by you?

The President. Yes, I don't care if it does take a few minutes. I'll write fast.

Note: Michael Sheppard, civics teacher, began the session at 11:44 a.m. by introducing the President to Ms. Bray and the eighth grade students of his civics class who participated in the session. Following the session, the President returned to Washington, D.C.

Exchange With Reporters on Domestic and Foreign Policy Issues

April 15, 1982

The President. I just thought that I ought to come back here though. I noticed some of you writing stories about my school visit. Maybe you were a little concerned about my statement on unemployment—[*inaudible*]——

Q. [*Inaudible*]

The President. What? No, I'll just sit here in the aisle, thank you.

And I just thought that if there was any confusion since March, when they also announced that there was a great increase in unemployment that—[*inaudible*]—worried about this—think I've, somehow, misstated that the—it is absolutely true that the method by which we compute unemployment—[*inaudible*]—we did decrease unemployment by 88,000—[*inaudible*]—over February. We increased employment 525,000, March over February.

Now, the method of computing how this can work is that it seems the Bureau of Labor Statistics computes employment figures on a 5-year basis, making projections ahead. So, they projected an increase of more than 600,000 for April-March, and they predicted a decrease of unemployment of about 200,000. So, when the actual figures of the increase in employment wasn't as big as their projection, they called that a decline of a couple of hundred thousand. And when the decrease in unemployment wasn't big as their projection, even though it decreased, they called that an increase in unemployment.

Q. Will they, then, balance it off the projections, instead of—[*inaudible*]?

The President. Yes. This is absolutely true, and from their own figures provided in the—[*inaudible*]—it's the higher they rise, the——

Q. You don't mind if I doze off during this, do you, Mr. President? [*Laughter*]

The President. No. [*Laughter*] Well, I just thought I saw you all perk up, and I thought, aha, they think he's done it again. [*Laughter*]

Q. Well, now that you're here—[*laughter*]—anything new on the Falklands you can tell us about?

The President. Really can't.

Q. Did you talk to Haig today, while we were in the air?

The President. No.

Q. [*Inaudible*]

The President. No.

Q. [*Inaudible*]—write about?

Q. He's on his way, isn't he?

The President. He's on his way. I think he's left by now.

Q. Yes—[*inaudible*].

Q. Can you clear up something else that was a little confusing?

The President. Yeah.

Q. Okay. Yesterday, in the Rose Garden when we talked about the Soviets—can you clear up whether the United States Government does or doesn't know whether they're helping the Argentinians?

The President. I was basing my remarks on what's been reported in the press.

Q. You said, though—you said that it was established is what you said, though. How did you mean that, that it was established? Those are your words.

The President. Well, I'm only just talking about what's been reported——

Q. You said it was established, and——

The President. Well, I was just believing that you wouldn't say it, all of you—said it if it wasn't true. [*Laughter*]

Q. Well, will you say if you have any information other than what you've read in the press about that?

The President. Well, again, as I've said, there are just—it is too—this is too edgy a thing for me to comment on—[*inaudible*].

Q. Sir, were you intending to——

Q. We think you did real good—[*inaudible*].

Q. Were you sending a signal that you may accept a surtax—[*inaudible*]—yesterday?

The President. No; I was just saying that this discussion process—I want it to go forward and keep on going. And I think it's the only way we're going to arrive at a point at which we can then, maybe, come up with a bipartisan agreement.

Q. But you might have said——

The President. I wasn't picking on any specific—[*inaudible*].

Q. You weren't sending a broad signal as it's been reported, then?

The President. No, no. No broad signal.

Q. Thank you for coming back. Thank you.

The President. If there's ever any future confusion about things I've said, feel free to ask me. [*Laughter*]

Q. Thank you.

Note: The exchange began at approximately 1:45 p.m. on board Air Force One as the President was returning to Washington, D.C., from Chicago, Ill.

Appointment of Three Members of the United States Holocaust Memorial Council

April 15, 1982

The President today announced his intention to appoint the following individuals to be members of the United States Holocaust Memorial Council.

Ruth R. Miller is currently vice president of Tower City Properties, Inc., in Cleveland, Ohio. She is married, has four children, and resides in Shaker Heights, Ohio. She was born December 1, 1925.

Albert A. Spiegel is self-employed in Los Angeles, Calif. He is chairman of the B'nai B'rith Hillel Commission (National) and a member of the national campaign cabinet, United Jewish Appeal. In addition, he is a member of the board of directors of the Jewish Federation-Council of Greater Los Angeles. Mr. Spiegel is married, has four children, and resides in Beverly Hills, Calif. He was born March 9, 1916.

Laurence A. Tisch is chairman of the board and chief executive officer of Loews Corp. in New York City. He joined the board of directors of Loew's Theatres, Inc., the predecessor of Loews Corp., in 1959. He is a past president of the United Jewish Appeal of Greater New York and is a trustee of the Federation of Jewish Philanthropies and the Jewish Communal Fund. Mr. Tisch is married and has four children. He was born March 5, 1923.

White House Statement on the Dispute Between the United Kingdom and Argentina in the Falkland Islands

April 15, 1982

Late this afternoon, President Galtieri of Argentina called President Reagan to discuss the situation in the South Atlantic.

During the conversation, President Reagan said that he was wholeheartedly committed to a peaceful resolution of the dispute. He said that a conflict in the hemisphere between two western nations would be a tragedy and would leave a bitter legacy. President Reagan also asked for flexibility and restraint by all parties in the days ahead. With that, he said, we should be able to get through this together. We still have a ways to go, he added, but he is hopeful that we can find a just and peaceful solution to this very serious matter. The President also said that Secretary Haig, his personal representative, would be arriving in Buenos Aires in a few hours to continue the efforts of the United States.

As he had in a previous conversation, President Galtieri reaffirmed to President Reagan his personal desire for a peaceful resolution of the dispute.

Remarks on the Program for Economic Recovery at a White House Luncheon for Editors and Broadcasters from Southeastern States

April 16, 1982

Thank you very much, and I understand there's been a change of signals here. Evidently, they don't think you've had enough briefing so far this morning, so I'll be a before-lunch speaker instead of an after-lunch speaker. And then after lunch we'll have a dialog and have questions and answers.

So, good afternoon and welcome. We're delighted to have you here. I know, as I say, that you've been briefed, and I'll try not to plow the same ground twice and then, after lunch, questions. But first let me just say the United States has and will continue to do everything possible to help head off hostilities between Great Britain and Argentina. We believe a war would not only be tragic for both sides but dangerous for world peace, and we won't falter in our efforts to help prevent that.

We're also working for a budget compromise that doesn't alter or weaken the focus of our economic program. As you know, there've been intensive bipartisan talks over the last several weeks between representatives of the Congress and the White House over the budget. And I'm following those talks with certain amount of interest. They are approaching a climactic stage, and I want to express today my strong hope that they succeed.

We've tried to approach the undertaking in a constructive and conciliatory spirit. We'll continue to do so in the days ahead. It's not just the Congress. It's not just the White House. It's the country as a whole—millions upon millions of hard-working Americans who need a sound budget. And we must join together to bring down deficits, bring down interest rates, and revive the economy.

I think our program, which is barely 6 months old, goes to the heart of the most deeply ingrained economic problem, that we inherited. Government has been spending and taking too great a percentage of the gross national product for itself. It's been like a ball and chain on economic growth, with taxes so high that personal savings in America have been the lowest of all of the industrial states. So, we haven't had the capital pool we need to fund spending by government and make capital available for home mortgages, for business investment, and so forth.

Far from helping us to balance the budget, high taxes fueled increases in spending that reached 17 percent in 1980 alone. You know, I keep asking one question that still hasn't been asked. If higher taxes are needed to reduce deficits, why did a $300 billion tax increase between 1976 and 1981 leave us with $318 billion in deficits?

The one sure way to reduce projected deficits, bring down interest rates, and still encourage growth is to reduce government's share of the gross national product. In other words, reduce the increase in both government spending and taxing. We must shrink Uncle Sam's appetite for credit without preventing the taxpayers from producing and saving more to get our economy moving again.

We're starting to do this. We haven't cut spending in absolute terms; we've just cut that 17-percent spending growth of 1980 nearly in half, but we're still increasing spending. We reduced tax rates by 5 percent last October, but that was too little and too late to offset a personal tax increase of $41 billion last year, which helped drag the economy down and make the recession worse. It's ironic to hear the same people who insisted our tax program be administered in drops rather than spoonfuls now saying the medicine evidently didn't work. Well, the medicine will work when the patient finally begins to get it, and the first real dose begins with the 10-percent tax cut in July, followed by an additional 10-percent tax cut a year later.

Tampering with the third year of the tax cut or saying, "All right, we'll keep that third year, but then we'll increase taxes again in the fourth year and every year after that," would inflict major damage on the economy. It would increase the tax bill of families by hundreds of dollars and prevent us from achieving the $260 billion increase in private savings that our tax program is designed to bring about and that we expect by 1984. And it would further weaken the competitive position of U.S. products in the world economy.

We hear so many judgments made about compassion—who has it and who hasn't. Our administration, I think, has compassion for those in need, but where was the compassion in those bankrupt spending policies that brought the pain of high inflation and interest rates to so many people? Where's the compassion now in raising tax rates again on our people, making it even harder for them to work and compete? For all the talk about our so-called massive tax cut, it will barely offset tax increases that were already built into the system, including the social security tax increases that were passed in 1977. Another installment on that increase went into effect last January, and there are more to come in the years ahead. And they will end up with a great percentage of our working people paying more tax in social security than they are paying in income tax.

Another point—our tax cut is said by

some to favor the rich. Well, that simply isn't true. 74 percent of the tax savings goes to the lower and middle class, who presently are paying 72 percent of the tax. The old system of pushing everyone into higher tax brackets only chased the wealthy into tax shelters and encouraged the growth of the underground economy. By reducing tax rates, we provide incentives to get more Americans back in the mainstream paying taxes again. And we're thinking about having some people going around to encourage them to do that.

Sometimes a poll will ask, "Would you give up the third year of your tax cut if it would help reduce the deficit?"

Well, that's not a fair yes or no question. It suggests that higher taxes automatically reduce deficits, and, as I've said, history proves otherwise.

When people are permitted to choose between Federal spending cuts or increasing taxes to reduce projected deficits, a big majority, 77 percent in the most recent NBC/AP poll, invariably choose spending cuts. I think the people are sending a message of common sense if we'll just listen. They're asking their government to have enough courage to bring Federal spending under control, not just for a quick fix but permanently.

That's the only way to restore confidence in the money markets for long-term lending. Bring interest rates down more and then keep them down. We've brought them down from 21½ percent to about 16 percent, but that's not good enough. Inflation has dropped from double digits to an annual rate of 4½ percent for the last 6 months. And wholesale prices even registered a net decline for the past 2 months.

Our progress on inflation means the cumulative increase in America's purchasing power, which has received little attention. It far outweighs the impact of budget restraint in various programs, which has received so much attention. With cooperation from the Congress on spending, I think we can have a strong recovery.

Perhaps you'll have some questions now after we eat, and that's the end of the after-lunch speech.

To all of you in the business you're in and that I started my life out in, I just have to tell you that one lesson I learned very early back then has come in very handy in the years since and even in government. You'll remember, well, not all of you, but some of you back in a day when there was no tape and transcriptions were relatively new, and you put on a drama on radio, the soundman didn't have tape sounds. He had a great big cart on wheels equipped with all sorts of things to make all sorts of sounds. And at the rehearsals of the drama, he would then be experimenting with what would make the sound effect necessary to the drama.

And in WHO; Des Moines, one time in about 2 or 3 days of rehearsal for a radio drama, we watched the sound-effect man, who had to have at one point, an important point in the story, the sound of water falling on a board. And he tried rice on a drum; he tried dried peas on cardboard boxes; he tried everything you can imagine. And finally, desperately, he tried water on a board. [*Laughter*] And it sounded just like water on a board. [*Laughter*] And I think that that's a pretty good lesson for government to heed every once in a while with our approach to problems.

Thank you very much.

Note: The President spoke at 12:12 p.m. in the State Dining Room at the White House.

The question-and-answer session following the luncheon begins on page 483.

Proclamation 4930—National Architecture Week, 1982

April 16, 1982

By the President of the United States of America

A Proclamation

April 20, 1982 marks the 125th Anniversary of the American Institute of Architects. With a spirit of appreciation, the American people honor and congratulate the Institute for its many accomplishments.

American architects have historically expressed through their work the richness of our heritage and the vitality of our national spirit. They have combined advances in building technology with design innovation to give exciting new forms to our cities. The architectural profession, through its Institute, has been especially vigilant in its stewardship of many of the Nation's architectural treasures, including the monuments, buildings, majestic avenues and green spaces of the Federal City of Washington, D.C.

The Senate has, by Senate Joint Resolution 169, recognized the unique contribution made by this honored profession and has requested me to designate April 18 through April 24, 1982, as National Architecture Week.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim April 18 through April 24, 1982 as National Architecture Week. I call upon the people of the United States and all government agencies to observe the week with appropriate ceremonies and activities paying tribute to the Architects of America in this, the one hundred and twenty-fifth year of the existence of the American Institute of Architects.

In Witness Whereof, I have hereunto set my hand this sixteenth day of April, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 10:12 a.m., April 19, 1982*]

Remarks on Signing the Law Day U.S.A. Proclamation

April 16, 1982

The President. It's a particular privilege for me to sign this year's proclamation of Law Day, marking the 25th annual observance of the rule of law in America. Any progress that our generation has brought to our people and to the world rests on the foundation of law and justice laid by earlier generations of Americans, beginning with those courageous, far-sighted individuals who two centuries ago had the faith to believe that men and women could live in freedom under law. They also had the wisdom and judgment to craft a system of government in which that faith would not only survive but flourish. In our courts, our Congress, our Federal and State attorneys general and in the private bar, we see daily that law remains the cornerstone of the freedom that we've been given. And we bear a solemn obligation to preserve it.

Our Declaration of Independence begins with an appeal to the laws of nature and of nature's God. Our Constitution proclaims that to establish justice shall be among the first of our priorities. And our history since has been replete with great men of law from Webster to Lincoln, Marshall to Holmes, who've played such major roles in our public life.

So, this is the heritage that we honor on May 1st of this year, as we have on the first of May for a quarter of a century. In other parts of the world, May 1st is used for a different kind of celebration—a forced, unnatural observance of a system that promises a freedom it systematically denies, proclaims justice while practicing tyranny, and uses what it calls law as little more than a thin veneer for the edicts of a totalitarian elite. We can and should be grateful to God that such is not true in America.

And I shall now sign the proclamation.

[*At this point, the President signed the proclamation.*]

Reporter. Mr. President, is there any encouraging news from Secretary Haig this morning?

The President. I don't know whether any reports have come in yet this morning. I haven't been in the office; I've been over there at another affair that's going on in the State Dining Room. So I'll go in and be finding out now.

Q. It sounds like your talk with President Galtieri yesterday was encouraging?

The President. Yes. He called me, and he expressed over and over again his desire for a peaceful solution.

Q. Within the framework of 502, sir?

The President. Yes, that's what he said.

Note: The President spoke at 1:34 p.m. at the signing ceremony in the Rose Garden at the White House. The ceremony was attended by the Vice President, Attorney General William French Smith, Senator Strom Thurmond, chairman, and Senator Joseph R. Biden, Jr., ranking minority member, the Senate Judiciary Committee, John D. Ashcroft, attorney general of Missouri and president of the National Association of Attorneys General, and officials of the American Bar Association, the National Bar Association, and the Federal Bar Association. Members of the press were also present at the ceremony.

Proclamation 4931—Law Day U.S.A., 1982

April 16, 1982

By the President of the United States of America

A Proclamation

The United States serves the world as a model of representative democracy, individual freedom and equal justice for all. These three goals of our Nation, guaranteed by the Constitution and the Bill of Rights and guarded by the dedication of our people, ensure that the United States will continue to be a beacon of liberty to oppressed peoples around the globe.

Law Day U.S.A. stands in sharp contrast to "May Day" observances conducted in the Communist world. We have only to look at recent events in Poland to be reminded of the difference between the rule of force and the rule of law. While freedom has been repressed in many lands since Law Day was first observed 25 years ago, it has steadily grown in our own, with increasing respect for the rights of all members of our society. It is thus fitting that the theme of Law Day, 1982, is "A Generation of Progress."

This 25th celebration of Law Day U.S.A. is also significant in view of this particular moment in our history. Two hundred years ago our forefathers, having fought and won the Battle of Yorktown, began the final process of establishing our federal system—the cornerstone of our Republic. This process, beginning with the end of the Revolutionary War, progressed through the Articles of Confederation and culminated with the adoption of the Constitution by the Convention of States on September 17, 1787. Thus Law Day U.S.A., 1982, celebrates not only 25 years of progress, but also 200 years of progress.

Now, Therefore, I, Ronald Reagan, President of the United States of America, proclaim Saturday, May 1, 1982, as Law Day U.S.A. and invite the American people to mark the observance with programs that stress the importance of the Constitution to our individual freedoms and our form of government.

I urge clergy of all faiths to bring the moral and ethical dimensions of the law to public attention through sermons and suitable programs.

I call upon students and teachers at all levels to study and teach the events and documents that led to the adoption of the Constitution in 1787 and its ratification on June 21, 1788, so that the 200th Anniversary of our Constitution might be marked by learned discourse on the history and purpose of this great Charter of Freedom.

I also call upon public officials to display the flag of the United States on all government buildings open on May 1, 1982.

In Witness Whereof, I have hereunto set my hand this sixteenth day of April, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 10:13 a.m., April 19, 1982*]

Proclamation 4932—Prayer for Peace, Memorial Day, 1982
April 16, 1982

By the President of the United States of America

A Proclamation

Since the end of the Civil War, Memorial Day has been the time when we honor the American men and women who gave up their lives on the field of battle. We do this in recognition of the enormous sacrifice they have made to preserve our liberty and, also, of the responsibility we bear to transmit liberty to future generations.

Memorial Day is an opportunity to remember that those who died in the defense of our country were serving an even higher cause. For all through our history, America has been a beacon to other peoples, serving as a source of political inspiration, a haven for the poor and oppressed, and a friend to nations in distress. Today, as so often in the past, we stand as a guarantor of peace. In full accord with our national ideals and responsibilities, we are prepared to assist countries threatened by economic upheaval or international violence. And we stand ready to work together with other nations to remove the sources of conflict and insecurity and build a firm foundation for peace in the future.

In recognition of those Americans to whom we pay tribute today, the Congress, by joint resolution of May 11, 1950 (64 Stat. 158), has requested the President to issue a proclamation calling upon the people of the United States to observe each Memorial Day as a day of prayer for permanent peace and designating a period on that day when the people of the United States might unite in prayer.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate Memorial Day, Monday, May 31, 1982, as a day of prayer for permanent peace, and I designate the hour beginning in each locality at 11 o'clock in the morning of that day as a time to unite in prayer. I urge the press, radio, television, and all other information media to cooperate in this observance.

I also request the Governors of the United States and the Commonwealth of Puerto Rico and the appropriate officials of all local units of government to direct that the flag be flown at half-staff during this Memorial Day on all buildings, grounds, and naval vessels throughout the United States and in all areas under its jurisdiction and control, and I request the people of the United States to display the flag at half-staff from their homes for the customary forenoon period.

In Witness Whereof, I have hereunto set my hand this 16th day of April in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 10:14 a.m., April 19, 1982*]

Proclamation 4933—National Farm Safety Week, 1982

April 16, 1982

By the President of the United States of America

A Proclamation

Agriculture, America's oldest and most important industry, once required much of the time of most of our people. No more. Now each farm or ranch worker provides enough food and fiber for himself and 77 others here and around the world.

We are blessed with abundance, but we have no guarantees for the future. If we are to be ready to meet expanding markets and world needs for the products of our agricultural bounty, we must search for still better farming methods. We must find ways to control such factors as accidents that erode our productive capacity in agriculture.

Last year nearly 400,000 farm and ranch residents were injured—many of them fatally—in accidents. The cost in dollars was substantial and, in human suffering, incalculable.

While difficult jobs and adverse conditions are a part of farming, accidents need not be. Most farm accidents and occupational illnesses can be prevented or reduced through safe work practices, use of protective equipment, and attention to safety in the rural home, in transportation, and in recreation.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate the week of September 19 through September 25, 1982, as National Farm Safety Week. I call upon those who live and work on the nation's farms and ranches to commit themselves to the safe conduct of all their activities, both on and off the job. Also, I urge the people and organizations allied with agriculture to help turn this commitment into reality by supporting personal, group, and community safety efforts in every possible way.

In Witness Whereof, I have hereunto set my hand this 16th day of April in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 10:15 a.m., April 19, 1982*]

White House Statement on the President's Meeting With Islamic Ambassadors To Discuss the Incident at the Dome of the Rock Mosque

April 16, 1982

The President today met with six Ambassadors delegated by the Islamic countries represented in Washington. On this occasion, he expressed his deep personal sorrow and that of all Americans over last Sunday's violence at the hands of a deranged individual in an area sacred to three of the world's great religions.

The President expressed his sympathy with the concern of the Islamic world over the disruption of the tranquility of one of its most holy shrines. This concern is shared by the members of all faiths. He reiterated his conviction that the peace of the holy places of Jerusalem must be maintained and confirmed the dedication of the United States to encouraging the conditions necessary for the well-being of all those who draw their spiritual inspiration from that city.

The President called upon all the governments and peoples of the Middle East to work to decrease tensions in the area and prevent further acts of violence and loss of life.

The six Ambassadors were: Omer Salih Eissa, Sudanese Ambassador to the United States, Ali Bengelloun, Moroccan Ambassador to the United States, Faisal Alhegelan, Saudi Arabian Ambassador to the United States, Ejaz Azim, Pakistani Ambassador to the United States, Azraai Zain, Malaysian Ambassador to the United States, and Andre Wright, Niger Ambassador to the United States.

Question-and-Answer Session Following a White House Luncheon for Editors and Broadcasters from Southeastern States

April 16, 1982

The President. Well, anyone who is still eating or drinking coffee or anything, keep right at it, and we'll have that dialog I mentioned. I didn't realize that I talked so long at first, until I sat down at the table and realized how cold the soup was. [*Laughter*]

I've had a request for the first question here.

News Coverage of the Recession

Q. Mr. President, you recently were critical of network coverage of some of your programs, and since we're all in the news and journalism business, I thought maybe you could respond to the question: Is this some sort of a beginning of an attack or an assault on the media?

The President. No, and the thing that you've just asked about—out in Oklahoma I had met with a group, the publisher and some others from the paper out there, and we were sitting around having a conversation about this. And what I actually protested was that I felt that the news media in general was just creating such a drumbeat of pessimism in this time of recession; that I've always felt that there is a psychological factor in recession, and that if you just keep hammering at this, you add to the recession. You have people that suddenly say, "Well, I won't buy this or that," or "I won't do what I was going to do because of the fear of it." And actually, I think some of this pessimism is—it can't really be justified as news to constantly, day after day, go out and find some individual, tragic as it is for anyone who's lost a job or is laid off, but to dwell on that and on the individual problems of someone instead of a balanced picture of what is the situation.

For example, bad as this recession is—and let me say, no one in this room can claim any more of a traumatic feeling about the unemployed than I can, because I was looking for my first job in 1932 in the depths of the Great Depression. And I saw my father lose his job, opening an envelope on Christmas Eve. So, I know the tragedy of unemployment.

But how many people know, for example, that today the basic strength of our economy—which is going to have to be the factor that brings us back to normal—is such that today we are almost at a record high in the percentage of people of working age who have jobs in this country? The record was 59 percent, and today 57 percent of the people of working age have jobs, in spite of the high unemployment.

Part of the unemployment is not as much recession as it is the great increase in the people going into the job market and, ladies, I'm not picking on anyone, but because of the increase in women who are working today and two-worker families and so forth.

And that was what I was criticizing. Let's have a little optimism. Let's have some stories, for example, about the ad on the air last night of the automobile dealer here in the vicinity, who's himself, lowering the interest rates to 9½ percent for people that buy cars at his place. I think free enterprise has got muscle left that can still help.

Cuba and International Drug Trafficking

Q. Mr. President, the U.S. State Department has—[*inaudible*]—Cuba's intervention in the drug, international drug trafficking. Do you think it's possible, Mr. President, to deal with a country, with a government that is dealing in drugs and sending guerrillas to other countries and violating human rights in Cuba?

The President. Well, I don't think we are helping someone who's—or dealing with someone who's sending guerrillas to other countries and the violation of human rights. I think if that is aimed at the El Salvador thing, I think there are countries there that we're not dealing with who are sending aid and personnel into El Salvador to help that movement. I think the election kind of straightened the record out on El Salvador and what the people there want, and we want to help them get that.

On the drug traffic, this is much more difficult. We are working in cooperation with many governments, countries where we know they are the source of the drug. And they are cooperating with us in trying to stop that traffic. There we have to recognize that our own country does not have completely clean hands. There is a great deal of marijuana produced in the United States. So unless we could be 100 percent able to find and apprehend or do away with that, we would be as much of an offender as some country that is trying as hard as it can to eliminate the drug traffic from its country.

Q. But Cuba, sir, is helping—according to the United States State Department—Cuba is helping the drug traffic—[*inaudible*].

The President. Well in Cuba, we don't have any dealings with Cuba. If they'd ever like to rejoin the civilized world, we'd be very happy to help them. But not under the present circumstances. And let me also say this about the drug traffic. We're launching a program here, and have got it started, more than we've ever done before. But I am still of a belief that, while you do your utmost to intercept the drugs, we're not going to lick that problem in our country until we take the customer away from the drugs. The most effective answer is if we can get our young people, particularly, and be successful in convincing them they don't want to go down that road. Instead of trying just to take the drug away from the customer, let's turn the customers off so they don't want the drug.

There was a young lady back there.

Barnwell Facility in South Carolina

Q. Mr. President, I'm from South Carolina, and my question relates specifically to that. Recently, your Secretaries of Energy, Commerce, and State sent a letter to Mexico inviting officials there to participate with the United States in a privately owned, nuclear-fueled reprocessing center. Now experts tell us that such a facility is only feasible at the Barnwell facility in South Carolina. So, do you favor using Barnwell in a federally funded or a privately funded nuclear-fuel reprocessing facility?

The President. I think that in the whole energy field that our best bet is, again, is still the private sector, free enterprise. And I think that government has, particularly with regard to that type of fuel, I think that government has a great responsibility to ensure that there are rules for safety that will be applied and——

Q. But what about Barnwell?

The President. The what?

Q. But what about the Barnwell facility in South Carolina?

The President. The——

Q. Barnwell, B-a-r-n-w-e-l-l, Barnwell.

The President. Oh, well, I'm afraid you've asked me a question that Jim didn't bring me up to date on. I'm going to have to check with Jim Edwards on that and find out.

The other young lady there.

Federalism and Tuition Tax Credits

Q. Two questions. The first one, as you send more money back to the States to be divided up, are you intending to put any strings on it to see that they are divided up on a per capita basis? In North Carolina, for instance, on some of the cuts, they are being distributed per town units. They're disproportionate on a per capita basis, even though the money is being collected on a per capita basis. And the second one, on the subject of the tuition tax credit that you announced yesterday, how are you going to prevent that from being used to cause functional segregation?

The President. Well, we have a proviso in the legislation we're going to send up that it cannot be used in any way to promote segregation, to answer the last question first. But we recognize also that, as you say, functional could take place. We've discussed this at our own table here.

I don't really believe that's going to turn out to be a problem, because first of all our tuition tax credit is proposed for the lower- and middle-income people. There will be a cap on earning level above which there will be no tuition tax credit.

Second, the overwhelming majority of students in the main private schools or the parochial schools, the religious schools in America, the overwhelming majority come from families with incomes of $25,000 or less. In Chicago, for example, 40 percent of the students in the Catholic schools of Chicago are black. And there seems to be a greater urge on the part of our minority citizens to get that kind of education, because in too many areas the public school system apparently is just not doing the job that they want done for their children. So, we'll make very sure that it cannot be distorted.

Q. On the first question about—back to the first question——

The President. Oh——

Q. ——I'm sorry. On the money that is being sent——

The President. Oh, per capita and so forth. I don't know whether—there are so many categorical grants, block grants, and so forth. And if we're talking about federalism, every provision is going to be made for a pass through from the State level, and it would have to be based on the needs of the various areas. That's being worked on as we continue, and the federalism program isn't dead. We're still working on it.

Views of East Tennesseeans

Q. Mr. President, I'm from east Tennessee, and east Tennesseeans urged me to tell you that they're looking forward to seeing you in Knoxville on May 1st to open the World's Fair—[*laughter*]—number one, and number two, while this might not be hard news, I promised my listeners I would say to you what they asked me to say. And what they asked me to say was that you should hang in there. They still believe in you. Keep chopping away about give-away social programs, and don't make the mistake of trying to govern by reacting to so-called popularity polls. They believe that your character will dictate the proper politics. Thank you, sir. [*Laughter*]

The President. Well, thank you very much. [*Laughter*]

I've just been told—I think there are some hands that have been up quite a while out here. No, the gentleman just behind you.

Regional News Conferences

Q. Mr. President, first off, I'd like to be so bold as to thank you for inviting us. Certainly it's good seeing you again and seeing you look so well.

My main question is that, since we do enjoy more of this one-on-one, would you consider the possibility of reinstituting what was at one time viewed as a regional news conference or news meetings? And if so, would you entertain an idea of coming to Greensboro, North Carolina, for a two-State Carolinas news conference? [*Laughter*]

The President. Well, let me say this was also discussed at the table here. I am going to discuss this, because I believe on trips that I make—I don't know that we could make special trips just to have a news meeting—but I would think that it would make a great deal of sense when you're in an area to have a press conference in which the national press is not barred—they can attend—but limit the questioning to the local and the regional press, who don't ordinarily get the opportunity they get here in Washington.

Now, I've just been told that I have a bill signing ceremony—darn it—and they tell me that I have to get out of here.

Situation in the Falkland Islands

Q. One international question? If a peace is not negotiated between the Falklands and England, what type of position do you feel that's going to put the United States in?

The President. If a peace is not negotiated between Argentina and the United Kingdom on the Falklands, what position that would put us in? You've asked a question that I just can't answer for the simple reason that these negotiations—now Alexander Haig has arrived; he is down there now in Argentina—and they're so delicate, and everyone is watching every word that's said, that for me to answer in any way a question of that kind just might upset things that are going on. I'm just going to keep my fingers crossed, and we're making every effort we can to have a peaceful solution to that problem down there. And I just really can't make a statement of any kind that might be misinterpreted or resented by someone involved in the negotiations.

So now—[*applause*]—she'll get mad at me; I just can't do it. I'm sorry. Let me just say, the next time we do this, I'm going to overrule those people that thought I ought to make some remarks, and we'll just give it all to question and answer so we can get all those in.

Note: The session began at 1:09 p.m. in the State Dining Room at the White House.

The transcript of the session was released by the Office of the Press Secretary on April 17.

Proclamation 4934—Armed Forces Day, 1982

April 16, 1982

By the President of the United States of America

A Proclamation

Each year we Americans set aside one day to honor the brave and dedicated men and women of the Army, Navy, Air Force, Marine Corps and Coast Guard.

They serve our nation with dignity, courage, and pride in duty stations throughout the world. The peace we enjoy today reminds us of their important role.

Now, Therefore, I, Ronald Reagan, President of the United States of America and Commander in Chief of the Armed Forces of the United States, continuing the precedent of my seven immediate predecessors in this Office, do hereby proclaim the third Saturday of each May as Armed Forces Day.

I direct the Secretary of Defense on behalf of the Army, the Navy, the Air Force, and the Marine Corps, and the Secretary of Transportation on behalf of the Coast Guard, to plan for appropriate observances each year, with the Secretary of Defense responsible for soliciting the participation and cooperation of civil authorities and private citizens.

I invite the Governors of the States, the Commonwealth of Puerto Rico, and other areas subject to the jurisdiction of the United States, to provide for the observance of Armed Forces Day within their jurisdiction each year in an appropriate manner designed to increase public understanding and appreciation of the Armed Forces of the United States.

I also invite national and local veterans, civic and other organizations to join in the observance of Armed Forces Day each year.

I call upon all Americans not only to display the flag of the United States at their homes on Armed Forces Day, but also to learn about our system of defense, and about the men and women who sustain it, by attending and participating in the local observances of the day.

Proclamation 4571 of May 15, 1978, is hereby superseded.

In Witness Whereof, I have hereunto set my hand this 16th day of April, in the year of our Lord nineteen hundred and eighty-two and of the Independence of the United

States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 10:16 a.m., April 19, 1982]

Note: The text of the proclamation was released by the Office of the Press Secretary on April 17.

Radio Address to the Nation on Nuclear Weapons

April 17, 1982

My fellow Americans:

Throughout our history and particularly in recent years, America's taken on an ever-increasing role as peacemaker—taking the initiative time after time to try to help countries settle their differences peacefully. I don't need to recite the list of diplomatic efforts spanning all administrations in which we've been instrumental in ending war and restoring peace.

Yet, there are some who still ask which nation is the true peacemaker—the United States or the Soviet Union? Well, let us ask them, which country has nearly 100,000 troops trying to occupy the once nonaligned nation of Afghanistan? Which country has tried to crush a spontaneous workers' movement in Poland? And what country has engaged in the most massive arms buildup in history? Or, let's put the question another way. What country helped its World War II enemies back on their feet? What country is employing trade aid and technology to help the developing peoples of the world and actively seeking to bring peace to the Middle East, the South Atlantic, and to southern Africa?

The answer is clear, and it should give us both pride and hope in America. Today, I know there are a great many people who are pointing to the unimaginable horror of nuclear war. I welcome that concern. Those who've governed America throughout the nuclear age and we who govern it today have had to recognize that a nuclear war cannot be won and must never be fought.

So, to those who protest against nuclear war, I can only say,"I'm with you." Like my predecessors, it is now my responsibility to do my utmost to prevent such a war. No one feels more than I the need for peace.

Throughout the first half of my lifetime, the entire world was engaged in war, or in recovering from war, or in preparing for war. Since the end of World War II, there's not been another world conflict. But there have been and are wars going on in various other parts of the world.

This stretch of 37 years since World War II has been the result of our maintaining a balance of power between the United States and the Soviet Union and between the strategic nuclear capabilities of either side. As long as this balance has been maintained, both sides have been given an overwhelming incentive for peace.

In the 1970's, the United States altered that balance by, in effect, unilaterally restraining our own military defenses while the Soviet Union engaged in an unprecedented buildup of both its conventional and nuclear forces.

As a result, the military balance which permitted us to maintain the peace is now threatened. If steps are not taken to modernize our defense, the United States will progressively lose the ability to deter the Soviet Union from employing force or threats of force against us and against our allies.

It would be wonderful if we could restore our balance with the Soviet Union without increasing our own military power. And ideally, it would be a long step in ensuring peace if we could have significant and verifiable reductions of arms on both sides. But let's not fool ourselves. The Soviet Union will not come to any conference table bearing gifts. Soviet negotiators will not make unilateral concessions. To achieve parity, we must make it plain that we have the will to achieve parity by our own effort.

Many have been attracted to the idea of a nuclear freeze. Now, that would be fine if we were equal in strategic capability. We're not. We cannot accept an agreement which perpetuates current disparities.

The current level of nuclear forces is too high on both sides. It must be the objective of any negotiations on arms control to reduce the numbers of nuclear weapons.

Since World War II, the United States has attempted to get Soviet agreement to such reductions countless times. We began back when we alone had such weapons. We were never able to persuade the Soviet Union to join in such an understanding, even when we proposed turning all nuclear material and information over to an international body and when we were the only nation that had nuclear weapons.

We're preparing a new arms reduction effort with regard to strategic nuclear forces and are already in negotiations in Geneva on intermediate-range missiles threatening Europe. Our objective in these talks is for the elimination of such missiles on the strategic nuclear forces. We will aim on those at substantial reductions on both sides leading to equal and verifiable limits. We'll make every effort to reach an agreement that will reduce the possibility of nuclear war.

If we can do this, perhaps one day we can achieve a relationship with the Soviet Union which doesn't depend upon nuclear deterrents to secure Soviet restraint.

I invite the Soviet Union to take such a step with us. And I ask you, the American people, to support our efforts at negotiating an end to this threat of doomsday which hangs over the world.

Thank you, and God bless you.

Note: The President spoke at 12:06 p.m. from Camp David, Md.

White House Statement About a Meeting With President Leonid I. Brezhnev of the Soviet Union

April 17, 1982

Two weeks ago, President Reagan expressed his sincere hope that President Brezhnev would join him this June in addressing the United Nations Special Session on Disarmament. President Reagan also said that he would look forward to a meeting with President Brezhnev in that context.

We have seen today's TASS report of President Brezhnev's statement to Pravda suggesting a summit meeting this fall. We will, of course, study President Brezhnev's remarks carefully.

In the meantime, President Reagan remains hopeful that President Brezhnev will come to the United Nations this June and meet with him then.

Remarks at the Welcoming Ceremony for Queen Beatrix of the Netherlands

April 19, 1982

The President. Nancy and I take great pleasure in welcoming Her Majesty Queen Beatrix and His Royal Highness Prince Claus of the Kingdom of the Netherlands.

This visit couldn't take place at a more appropriate moment. Today marks the 200th anniversary of the establishment of diplomatic relations between our countries. We're delighted that you honor us with your visit, Your Majesty, a visit that coincides with this historic occasion.

The bonds between our two peoples represent the longest unbroken, peaceful relationship that we have had with any other nation. When we were seeking our independence 200 years ago, your country was one of the first to which our forefathers turned. At that time the Netherlands was a bastion of freedom and tolerance on the European continent, having fought its own long and costly war for independence.

John Adams, who later was to become our second President, was dispatched to your country and reported, "The origins of the two republics are so much alike that the history of one seems but a transcript from that of the other." This parallel course did not end with the birth of our Republic. Throughout the years, the Dutch and the Americans were the world's quintessential free traders, men and women of enterprise and commerce traversing the world in pursuit of peaceful trade.

Today we recognize not only the 200th anniversary of our relations but also the lasting imprint your country has made on America. Your Majesty, who can forget that New York was first New Amsterdam? Later, Dutch families helped settle the frontier, and investors from the Netherlands played an indispensable role in producing the American economic miracle. Even today, our citizens build upon this heritage, remaining a major source of foreign investment capital for each other, interacting peacefully and constructively in mutually beneficial commerce.

Few nations have had the good will that is the hallmark of the relations between the United States and the Netherlands. Our shared values extend beyond the commercial vigor that built our standard of living that developed in both our countries—a respect for the rights of the individual, a recognition of human dignity more valuable than wealth generated by commerce industry, and a desire for peace more powerful than a tyrant's threat.

In only a few places on this planet do people enjoy the treasures of liberty and tranquility. Those who do must be ever mindful of the cost of such well-being. If totalitarian nations are permitted to achieve military superiority, liberty and peace will depend only on the good will of tyrants.

The American people and the people of the Netherlands, Your Majesty, traditionally have been advocates of peace. Today our challenge lies not only in a desire for peace or in its advocacy but in accepting the responsibility to do that which is necessary to maintain peace. It is an arduous task, often a thankless one. In 1942 Queen Wilhelmina came to Washington and spoke to a joint meeting of our Congress. She said, "Democracy is our most precious heritage. We cannot breathe in the sullen atmosphere of despotic rule."

Your Majesty, as we stood and heard the cannons welcome you a moment ago, I couldn't help but think back to the early years of our fledgling Republic. In 1776, shortly after we'd declared our independence, a tiny American fighting ship sailed into the Dutch port of St. Eustatius in the Windward Islands of the Caribbean, our new nation's flag flying proudly on the mast. No powerful government had yet recognized us. But the cannons of the Dutch fort bellowed out the first foreign salute to the American flag flown by a naval vessel. Today we return the honor.

We've been side by side for 200 years. Such friendship is appreciated here. Your Majesty, welcome to the United States.

The Queen. Mr. President and Mrs. Reagan, my husband and I thank you for your warm welcome. Your words of cordiality are addressed to us and through us to my fellow countrymen.

In a certain sense, we can regard our visit as a milestone on a journey that started some 200 years ago, the end of which is not yet in sight. Many Dutch people have also taken part in this journey to the New World. Hundreds of thousands have come to this great country to settle and build up a new future. Others have come to seal the bonds of friendship. My grandmother did so in 1942, when our countries were joining hands to preserve freedom for the world and human dignity for mankind. In 1952 my mother came here to pay tribute to what the United States had done for us during the Second World War and in the subsequent period of reconstruction.

Now, as we jointly celebrate 200 years of uninterrupted diplomatic relations, we pause to reflect on the support our peoples have given each other since the very beginnings of this great and proud nation, both in times of danger and in times of joy. We have looked forward to this official visit, which we realize will be altogether too short to cover such a vast area as the United States of America. We welcome the opportunity to become better acquainted with the American people later this year when my husband and I will be touring, in an official visit, to mark the bicentennial and celebrate, again, our very good relations.

You, Mr. President, have officially proclaimed the 19th of April as Dutch-American Friendship Day. It marks the beginnings of our state visit today, a promising beginning and an appropriate moment to dwell on the value of our lasting friendship, of the very good ties between the United States and the Netherlands in the past, in the present, and in the future.

Thank you.

Note: The President spoke at 10:10 a.m. on the South Lawn of the White House, where the Queen was given a formal welcome with full military honors.

Following the ceremony, the President met with the Queen and her husband, Prince Claus, in the Yellow Oval Room at the White House.

Message to the Congress Transmitting the Annual Report on Federal Advisory Committees

April 19, 1982

To the Congress of the United States:

In accordance with the provisions of Section 6(c) of the Federal Advisory Committee Act, I am pleased to transmit the tenth Annual Report on Federal Advisory Committees. This Report, prepared by the General Services Administration, summarizes the activities, status, and changes in the composition of Federal Advisory Committees for calendar year 1981.

On January 22, 1981, I directed Executive departments and agencies to reduce obligations for advisory committees by five percent for 1981. I am pleased to report that this effort achieved a reduction of ten percent during the past year. Believing that there are further opportunities for more cost-effective management of advisory committees, I plan shortly to direct actions throughout the Executive Branch which will result in additional savings of approximately ten percent for 1982.

RONALD REAGAN

The White House,
April 19, 1982.

Note: The report is entitled "Federal Advisory Committees, Tenth Annual Report of the President, Covering the Calendar Year 1981—March 1982" (Government Printing Office, 141 pages).

Appointment of Melvin L. Bradley as a Special Assistant to the President

April 19, 1982

The President today announced that he has appointed Melvin L. Bradley to be Special Assistant to the President. Mr. Bradley has been serving as Senior Consultant to the Office of Policy Development. His primary responsibility will be to work with the Office of Policy Development staff to assure that policy analyses for the President are sensitive to the needs and priorities of the minority and disadvantaged communities. He will report directly to the Assistant to the President for Policy Development, Dr. Edwin L. Harper.

Since January 1981, Mr. Bradley has been serving as a Senior Policy Adviser on the Office of Policy Development Staff, focusing on urban affairs and small business. He served as special adviser to the director of the office of Presidential personnel in the office of the President-elect. He served as assistant to the vice president and account executive with United Airlines in 1977–1981. He was director of public relations for the Charles R. Drew Postgraduate Medical School in 1975–1977. He served as assistant to Governor Reagan for community affairs in 1970–1975.

Mr. Bradley graduated from Pepperdine University (B.S., 1973). He was born January 6, 1938.

Appointment of Wendell Wilkie Gunn as a Special Assistant to the President

April 19, 1982

The President today announced his intention to appoint Wendell Wilkie Gunn to be Special Assistant to the President. Mr. Gunn will serve as Assistant Director for Commerce and Trade within the Office of Policy Development. He will also serve as Executive Secretary of the Cabinet Council on Commerce and Trade.

Mr. Gunn has been assistant treasurer and director of investor relations for PepsiCo, Inc., Purchase, N.Y., since January 1979. He was a vice president of the Chase Manhattan Bank in 1974–1979. He served as assistant professor of finance at Texas Southern University.

He was a member of the Republican National Committee's Advisory Council on Economic Affairs and Subcommittee on Tax Policy and Monetary Affairs. He is a member of the board of directors of the New Coalition for Economic and Social Change and a member of the advisory board of the Lincoln Institute for Research and Education.

Mr. Gunn graduated from Florence State University (A.B., 1965) and the University of Chicago (M.B.A., 1971). He is married, has three children, and resides in Stamford, Conn.

Promotion of Michael E. Baroody to Deputy Assistant to the President

April 19, 1982

The President today announced the promotion of Michael E. Baroody to the post of Deputy Assistant to the President. Mr. Baroody is Director of Public Affairs at the White House, with responsibility for public affairs coordination between the White House and various domestic departments and agencies, as well as the operation of a central information and research center to serve the White House staff. The Public Affairs Office is part of the Department of Communications at the White House.

Mr. Baroody, 35, joined the White House staff in April of 1981 as Deputy Director of Communications. He was appointed Director of Public Affairs last September.

Prior to joining the White House staff, Mr. Baroody served as executive assistant to the U.S. Trade Representative and before that as public affairs director and research director at the Republican National Committee.

Promotion of Joanna E. Bistany to Special Assistant to the President for Communications

April 19, 1982

The President today announced the promotion of Joanna E. Bistany to be Special Assistant to the President for Communications.

Ms. Bistany will continue to serve as Deputy to the Assistant to the President for Communications. In her position, she has organizational responsibility within the department and is involved in the public affairs management of special projects.

During the Presidential transition, Ms. Bistany was deputy to the administrator of the transition team. Prior to that she served in a variety of capacities in the Reagan/Bush campaign and the Reagan for President campaign, dating back to October 1979.

Before joining the campaign, Ms. Bistany served on the faculty at the University of Cincinnati in the communications department, with a dual appointment to the Children's Hospital Medical Center.

Ms. Bistany received her M.A. from the University of Kentucky and completed extensive postgraduate study at the University of Cincinnati and the Neuropsychiatric Institute, UCLA, in the area of clinical behavior management. She was born and raised in New York City.

Appointment of C. Anson Franklin as Assistant Press Secretary to the President

April 19, 1982

The President today announced his intention to appoint C. Anson Franklin to be Assistant Press Secretary to the President. He will succeed David Prosperi.

Mr. Franklin has worked in Republican politics for 13 years. He was press aide to Richard Obenshain during his race for Virginia attorney general in 1969 and assistant press secretary in George Bush's U.S. Senate campaign in Texas in 1970. He served as press secretary to Representative Bill Archer (R-Texas) in 1971–72, and also worked for the Texas Committee to Reelect the President in 1972. Mr. Franklin worked for Representative Alan Steelman (R-Texas) in 1974–76. In subsequent political campaigns, he was campaign manager for Marshall Coleman's race for attorney general of Virginia in 1977 and for his race for Governor in 1981. He was director of administration for the office of attorney general of Virginia in 1978–81.

Mr. Franklin graduated from the University of Virginia (B.A., 1969). He was born April 17, 1947, in Richmond, Va.

Toasts of the President and Queen Beatrix of the Netherlands at the State Dinner

April 19, 1982

The President. Your Majesty, Your Royal Highness, distinguished guests:

This evening we welcome you to the White House realizing that this is a special occasion even for this house, steeped in tradition as it is.

The history of our two countries will undoubtedly record that on this date, the 200th anniversary of our diplomatic relations, the Queen of the Netherlands was our guest at a state dinner in the White House. We thank the Dutch people for sharing you with us. You're the third successive Queen of the Netherlands to grace our Nation's Capital. We look forward to many such visits from you and from your heirs, because if any friendship is lasting and true, it is the one between our two peoples.

The Dutch played a significant role in developing America and shaping our national character. When thinking of this, images come to mind of Henry Hudson, in 1609, sailing up the river that now bears his name, of pilgrims embarking at Delfshaven bound for America after living 12 years in Holland, of the Dutch West India Company buying Manhattan Island and laying the foundation for a magnificent city of commerce, and of sturdy Dutch pioneers breaking ground for new farms in our Midwest.

I thought that I would surprise Her Majesty by telling her that each year there's a tulip festival in Holland, Michigan. She's already booked to go there. [*Laughter*]

Your Majesty, three American Presidents were of Dutch ancestry. And I'll bet that doesn't surprise you, either. Martin Van Buren, Theodore Roosevelt, and Franklin Roosevelt. Their contributions are well known. But countless lesser-known men and women of Dutch ancestry composed the building stones of America. If we were successful in creating a free and prosperous society of which we're rightfully proud, we must be thankful for the part played by our kindred spirits from the Netherlands, people who believed in hard work and who valued freedom. That's the spirit that built America, a spirit that citizens of Dutch ancestry helped instill in the American character.

Rembrandt, one of your great artists, showed the world new uses of light to add depth and meaning to painting. Similarly the Dutch, with uncompromising devotion to liberty, have been a light and inspiration to Americans, even in the depth of their darkest hours.

In the early 1780's, your nation fought a war which was at least partially caused by the affinity between the Netherlands and the American colonists then fighting for independence.

Our friendship, cemented in time and blood, is not taken lightly here. On this 200th anniversary of our fraternity, let us again pledge that we will meet the future together—two nations dedicated to peace, faithful to the cause of human liberty, and confident that right will prevail.

And now, may I ask all of you to join me in a toast to our good friends, the people of the Netherlands, to Her Majesty the Queen, and to His Royal Highness.

The Queen. Mr. President, my husband and I would like to thank you most sincerely for your warm words of welcome. We greatly appreciated the cordial reception given to us by your country, which has highlighted the special nature of the ties of friendship uniting our two nations.

There are few countries whose relations down the centuries have been so genuinely cordial and mutually beneficial as those between your great country, Mr. President, and my own.

It is surprising how many similarities one encounters in the stories of the birth of our two nations. The theory that a people could liberate themselves from their sovereign if he abused his powers was clearly formulated when the Dutch rose in revolt against their king, the King of Spain, in the 16th century. This was the conviction which was echoed in your historic Declaration of Independence two centuries later.

In 1780 we allied ourselves with you in your fight for freedom, alongside France and Spain. We were the second country to officially recognize the United States of America—not entirely without self-interest, I'm afraid—Dutch bankers provided you with the financial aid so desperately needed—[*laughter*]—in the period of rehabilitation following the War of Independence.

During the 19th century, millions of people from a great many countries, including the Netherlands, felt oppressed in the Old World and set their hopes on the New. It was their hard work and resourcefulness, coupled with the efforts of the descendants of the early colonists, that soon made the

United States one of the strongest powers of the world.

Your intervention in the First World War brought peace to Europe. When that terrible struggle was over, it was your President, Woodrow Wilson, who inspired countless Dutchmen with his ideals.

Even more vital was your intervention in the Second World War for both Europe and Asia. Although I was only a child growing up in Canada, I have vivid memories of the warm affection felt by my mother, Princess Juliana, and my grandmother, Queen Wilhelmina, for President Franklin D. Roosevelt. One of the last letters that President Roosevelt wrote early in 1945, 2 days before his death, was to my grandmother, assuring her that measures to help the Netherlands, then suffering from famine and oppression, were very much in his mind. "You can be very certain," he wrote, "that I shall never forget the country of my origin."

The memory of that great statesman with his sense of social justice is cherished and honored by innumerable Dutch people. Nor do they forget what they owe to his courageous successor, President Truman, and to President Eisenhower.

It was Eisenhower who, after leading the Allied Forces to victory, became the first Supreme Commander of that great alliance founded a generation ago, the North Atlantic Treaty Organization. This Alliance, relying principally on the strength of your country, Mr. President, has ensured the security of Europe and thus of the Netherlands.

It was also your country that helped us restore our shattered economy. I have in mind, of course, the Marshall plan, that brilliant example of American statesmanship—statesmanship, above all, because the plan did not seek to impose a pattern of its own but respected the values cherished in Europe, and because it was based on the understanding that helping others to help themselves is in the long run the most effective form of aid, thereby serving best the purposes of both donor and recipient.

We in the Netherlands undoubtedly owe a great deal to the United States. The spirit of enterprise, of daring, of constant innovation is a feature of American life that has always been an inspiration to others.

The winds of change, for example, that swept across Europe in the late sixties also originated in your country. Dutch society has been profoundly affected by artistic influences from America. Constantly improving means of communication have contributed to the advancement of science, trade, and culture on both sides of the Atlantic. All this has brought us closer together than ever before.

In sketching the associations between the United States and the Netherlands over more than 200 years, I intended not only to look back, Mr. President, but also to look forward.

It is the events of the past that have brought us to this point. We face an uncertain future together. Let us set our sights on the ideal of a just and humane society for all mankind. We cannot achieve this without standing up for freedom and respect for human rights. These ideals should constitute the theme underlying our mutual cooperation.

I need hardly add, however, that it is only natural, in view of our long and eventful histories, that our two nations should play the theme in different variations. While recognizing that the stress should be on unity, especially in times of adversity, I regard pluraformity, also within our North Atlantic partnership, as natural and meaningful.

The partnership would not benefit from uncritical, mutual admiration. Assuming that the dialog between the countries is inspired by honest motives and based on mutual trust, we must continue to listen to one another.

The Netherlands will endeavor to make a contribution by being open-minded and undogmatic. Tolerance has always been a feature of our national character. May I, therefore, express the hope that tolerance, openness, and patience will continue to mark our international partnership.

Whatever our differences, there is infinitely more that binds our peoples together. We have become partners of our own free will. Above all, let us not underestimate the strength that can emanate from a union that succeeds in safeguarding both external and internal freedom.

In view of this, I'm confident that relations between your country, Mr. President, and my own will be even closer in the future than they have been in the last 200 years.

May I ask you all to raise your glasses and drink to the health and happiness of the President of the United States of America and Mrs. Reagan, to the good fortune and prosperity of the American people, and to our good relations and centuries-long friendship.

Note: The President spoke at 9:35 p.m. in the State Dining Room at the White House.

Remarks at a White House Ceremony Commemorating the Day of Remembrance of Victims of the Holocaust

April 20, 1982

Good afternoon, and welcome to the White House. And I just said outside—before I make the remarks that I have intended to make, it might be appropriate to mention I received yesterday an Easter greeting—small, obviously handmade, and artistically done—and particularly when you consider that it probably had to be done in secret, and then smuggled out of where it was done. It was from internees in one of the prison camps in Poland today. And it contained a message of thanks to us for what we're trying to do in their behalf. And I thought it was a pretty good reminder at this particular season that the things that bring us together here are still possible in the world.

I understand many of you just arrived in here from the [Capitol] Rotunda. Our gatherings today—at the Rotunda, here in the White House, and in meetings across the land—reflect the magnitude of what has brought us together. Thirty-seven years ago, as the conflagration in Europe drew to a close, our eyes were opened to a new tragedy of such proportion that even now we can't grasp the horror of it. There were millions of victims of the Holocaust. Such vast figures have a way of blinding us to the humanity behind the numbers.

Today, perhaps for a moment, we should think of those who are not with us. We miss these people, though we were never permitted to know them. God understands how different, I'm sure—and only God—our lives would be had they been permitted to live.

There was Isaac Rudashevski, a young Lithuanian trapped in a ghetto at 15 years of age. Instead of giving up hope, he concentrated on reading and learning. His diary described his appetite for books. "The book unites us with the future," he wrote. "The book unites us with the world." Isaac did not survive. And one can only speculate what he might have become—an author, possibly—and the world might have been drawn a little closer because of his contributions.

Charlotte Salomon, a talented painter. She left a selection of artwork, but her life was cut short. We can only wonder what she might have created for us.

Marrisha Eisenstadt was the daughter of a director of the Warsaw Synagogue. We're told her voice was so beautiful that she was called the "Nightingale of the Ghetto." And she was killed during the liquidations, and we'll never know the comfort of her song.

And Hana Senesh, originally from Hungary, made it safely to Israel. And she courageously parachuted back into Hungary in hopes of saving others, and instead she, herself, was a victim. She left behind some of her poetry. But not enough—not nearlv enough.

And then there was Moses Flinker, a 16-year-old Dutch boy. His diary tells us that while he was in hiding he decided he would become a statesman in Israel when the war was over. He wrote that after making the decision to go into politics he decided to study Arabic. Why? Well, he knew that Israel would have to live in peace with its neighbors, and he wanted to possess the skills necessary to help in that task.

In a few days, Israel will return the final portion of the Sinai. We could only wonder what kind of contribution Moses Flinker would make if he were here with us.

We fervently pray that the return of the Sinai will be accepted for what it is—a magnificent act of faith by Israel for the sake of peace. It's a noble expression by a people who've suffered so much.

The United States is grateful for this step which reinforces our firm commitment to Israel's security. Today we're reminded that we must be sensitive to the history of a people whose country was reborn from the ashes of the Holocaust—a country that rightfully never takes its security or its survival for granted. With this in mind, all peace-loving people should applaud Israel and Egypt for what they have done.

Those who died cannot be with us, but they have a contribution to make. Their voices from the past cry out for us never to tolerate hatred or bigotry. Their voices can be heard even now.

Those who survived also remind us of heroism and dignity in the face of adversity, of truths discovered in the midst of pain and suffering.

Viktor Frankl, a prisoner of Auschwitz, later became a well-known professor of psychiatry and an author. He discussed some of his observations in his book "Man's Search for Meaning." "We who lived in concentrations camps," he wrote, "can remember the men who walked through the huts comforting others, giving away their last piece of bread. They may have been few in number, but they offer sufficient proof that everything can be taken from a man but one thing: The last of the human freedoms—to choose one's attitude in any given set of circumstances, to choose one's own way."

We of today must choose how we will respond to the Holocaust. Let us tell the world that we will struggle against the darker side of human nature; that with God's help, goodness will prevail and those who lost their lives will not be forgotten.

If you'll permit me, I'd like to mention one last victim of the Holocaust. He is a victim, yet he may also be a survivor.

During the dark years when the world began to realize what was happening, there were those among us—heroes who risked their lives trying to save people, often total strangers from the camps. In Assisi, Italy, for example, almost the entire population risked their lives hiding Jews throughout the town.

And some years ago when I was in Denmark to celebrate the Raybill's Society Fourth of July celebration, the largest celebration of the Fourth of July, our American holiday, outside the United States, and I learned there how in the Nazi occupation of Denmark, when the order came out for the Danes to turn in their Jewish neighbors, the next day every Dane appeared on the street wearing a Star of David.

But the one man who I think must be remembered above all was Raoul Wallenberg. One such man, at incredible risk, saved tens of thousands. And on this day of remembrance let us especially recall this man, and if he's alive, as some suggest, let his captors know they'll be forgotten long before Raoul Wallenberg is forgotten.

Let us also bear in mind on this special day that the entire human family now faces the threat of a different kind of holocaust—a nuclear holocaust. May the remembrance of past victims of man's inhumanity to man strengthen our resolve to seek a just and peaceful world for ourselves and our posterity.

And again, thank you all for being here today.

Note: The President spoke at 1:39 p.m. in the East Room at the White House.

Question-and-Answer Session With Reporters on Domestic and Foreign Policy Issues

April 20, 1982

The President. I'm kind of surprised to be over here on the side. I thought that in the event of rain they were going to have me up there under the roof and—[*laughter*].

Q. Share and share alike.

Q. With us out here, sir?

1983 Federal Budget

The President. Listen. This afternoon, as you know, representatives of the administration and the Congress are sitting down for an important round of discussions on the budget. And I think all Americans have an interest in the outcome.

It's my fervent plea that—and hope that from these meetings there will soon come a balanced, bipartisan package that will help to revive our economy. And I think the economy is now poised for a recovery. Inflation has fallen sharply, and I hope we'll have more good news on that front this Friday. There's also evidence that interest rates are softening. I know of nothing that would be a greater tonic for the economy right now than for the Congress and the White House to come together on a plan that would lower the deficits and create new jobs.

This morning I met with the Republican leadership in the Congress and then later spoke by phone with Speaker Tip O'Neill. To both of them I delivered the same message: So long as we can reach consensus on a budget plan that is balanced and commands bipartisan support, I'm personally prepared to go the extra mile.

And now your questions.

Q. Mr. President, Senator Laxalt indicated earlier today that he felt that compromise agreement will have to include some kind of tax increases. He was careful to say tax increases that didn't disturb your basic tax program——

The President. Yes.

Q. ——cuts in costs of living, for social security as well as other things, and defense cuts. Now, can you go along with that?

The President. Well, those are the very things that I know the group is discussing, but I am going to reserve the position I think I should—and that is not to comment on the specifics in what they're talking about until they come with a consensus on a balanced program.

Q. But, Mr. President, how can you agree to any kind of tax increases without violating your "no tax increase" pledge, even if it's a surtax combined with a minimum income tax or some kind of energy tax?

The President. Well, now, wait a minute. I think, if you'll remember, always I pointed out that there were areas for changes in the taxes, government revenue, that we would seek, that in some instances were correcting unjustified tax breaks and so forth. And I've always emphasized that what I'm talking about is that tax program of ours which is based on providing an incentive, both for individuals and business—the business tax cuts, the across-the-board, 3-year cuts in personal income tax.

Now, I have not changed on that. That, as I stand. They started in—remember, we presented a package of some $13 billion with our budget in proposed ways of raising additional revenues. Now, what they've done from there with that package I'm waiting to see.

Q. But, sir, just to follow up, does the surtax somehow violate that incentive package that you've supported and won last year?

The President. Well, again, let's see what we come up with in the interest of a balanced program.

Situation in the Falkland Islands

Q. Mr. President, if Argentina attempts to invoke the Treaty of Rio, sir—if Argentina attempts to invoke the Treaty of Rio, what will our position be? And what do we do?

The President. Well, they have voted to take this up, I believe, on Thursday, that they're going to take this matter up that Argentina has asked about.

Secretary Haig has been working almost around the clock for all these days since we sent him down there to Argentina and doing a magnificent job of trying to bring these—to bring about a position that both countries could subscribe to. The Argentinians made some proposals that were then forwarded to the United Kingdom—some changes in things that had been discussed before. The Foreign Minister of the United Kingdom is coming here this week to meet further.

And I just hope that we can keep this process going and that there will be a restraint on both countries from taking any action that may endanger it.

Q. Are you calling on Argentina to delay any request to have a final vote on the—invoking the Treaty of Rio? Should we not delay that then until its process runs?

The President. I think that that would be advantageous, yes.

Senate Republican Campaign Committee

Q. Mr. President, are you going to discipline Senator Bob Packwood? Are you going to let Republicans contribute the money for the Republican Senators' campaigns under his leadership?

The President. I have never suggested that our party members should stop giving to that fund. I think that fund is an essential if we're going to maintain our lead in the Senate and have a majority in the Senate. And I'm not punishing or disciplining anyone. I want the contributions made to that committee.

1983 Federal Budget

Q. Sir, if Speaker O'Neill refuses to meet with you and a compromise is not forthcoming, would you be willing to submit your budget package as it stands before the House for a straight up-or-down vote?

The President. Well, it could come to that if they refuse to cooperate on the other side. But I think that the best answer that we could give today that would reinstill confidence in the people and in the money market would be to come with a balanced program that both sides could subscribe to. And that's why, as I've indicated when I said "go the last mile," that I am willing to meet on that basis because of the value that I think there would be in that.

I don't know that the Speaker is going to refuse to meet with me. He had not met yet with the Democratic representatives who have been a part of this discussion group, and he's meeting with them this afternoon. And, of course, I can always hold him to the clock. He told me once that after 6 o'clock we're friends, so I might just invite my friend over.

Q. You talked to him this morning, sir. Did you say that you might get together this week?

The President. No, because he had not yet met with his own people. So, I told him that I had met with the Republican leadership in here and those who had been a party to these discussions and——

Q. Mr. President, did you give the Republican leadership a timetable? Is it as crucial as Senator Laxalt says it is, that you move quickly?

The President. Well, the essence of time is because of the state of the economy right now and the interest rates staying up there. I think it's very encouraging that various private business groups are taking steps to lower interest rates—the announcement on the part of one of the automobile manufacturers that they're going to lower them for cars. I have been citing a gentleman in Indiana, a banker, who made money available for car loans at 4 percent—or 4 points below the present interest rates and now find out that another group in Ohio—a group of bankers—had done this back in March and had great increase in the sales of automobiles in both of those regions. That type of thing, I think, is indicating that——

Q. Do you, sir, feel that Chase Manhattan Bank would go along with something like that just to get business?

The President. Well, let's see. When other banks have.

Situation in the Falkland Islands

Q. Mr. President, the British Government has indicated that the proposals Secretary Haig has brought back from Buenos Aires do not go far enough. Is Mr. Haig's effectiveness as a mediator at an end?

The President. No, it is not. He's done a magnificent job. And let me just lay one thing to rest now regarding some of the rumors that have gone on. This idea of whether or not we've endangered any prestige of ours in doing what we've done—I think we would have lost prestige if we had not been willing to undertake this job of trying to broker an agreement between these two parties and forestall violence. And however it may turn out, my only regret would be if it didn't work.

Q. Are you as hopeful now, sir, as you were a day ago?

The President. What?

Q. Are you as hopeful now as you were before Mr. Haig returned?

The President. It's very difficult. All I can tell you is, there have been some changes made; they've been relayed to the United Kingdom.

1983 Federal Budget

Q. Mr. President, back on the subject of the budget, do you plan this week, sir, to——

Deputy Press Secretary Speakes. This will have to be the last question, John [John Palmer, NBC News], please.

Q. Excuse me?

Mr. Speakes. This will have to be the last question.

Q. Why?

Q. Why?

Q. Mr. President, do you plan to meet with Speaker O'Neill? Will you ask him this week for a meeting to try to wrap up this whole budget process?

The President. Well, I don't think that it's a case of one of us asking the other or not. I think—and there's no way to project whether it'll be this week. It's when that group that is meeting comes to both of us and says that they have a consensus on a package that they believe is balanced and merits now our taking a look at it from the standpoint of getting together.

Q. Senator Baker, sir, says now is the time.

The President. What?

Q. Senator Baker said today he felt now was that time.

The President. Well, I think that "now" was a kind of figure of speech thing meaning that now, in this immediate period, to break this logjam and get the economy moving again.

Ground Zero Movement; Soviet President Brezhnev

Q. Mr. President, do you think that Ground Zero is detrimental to this country, and are you going to meet with Brezhnev in October?

Mr. Speakes. I would never cut Ms. Thomas [Helen Thomas, United Press International] off.

Q. And she has a followup. [*Laughter*]

The President. Ground Zero——

Q. And Brezhnev.

Q. And meeting with Brezhnev later, sir.

The President. I have to be heart and soul in sympathy with the people that are talking about the horrors of nuclear war and the fact that we should do everything we could to prevent such a war from happening. As a matter of fact, it's my understanding the leader of Ground Zero, however, does not believe in the freeze.

A freeze, yes, but after, as we've said so many times, a verifiable, substantial reduction to bring us down to parity and at a reduced number.

I would hope that some of these people, however, who are insisting on some of these things would realize that I'm with them as to the need to do something to lessen the possibilities of nuclear war. But I would also ask them to consider that no matter how sincere and well intentioned, only in this position do you have all the facts necessary to base decisions on action. And, therefore, I would ask their trust and confidence that feeling as sincerely as I do, the same as they feel, that they would allow us to take the actions that we think are necessary to lessen this threat.

Now, with regard to Mr. Brezhnev, I would still hope that he would come, because it is arms reduction that is being discussed at the United Nations in June. And I would hope that he would find it possible to be there and that we could have a meeting—but not in any sense that that would replace a later summit meeting, full summit meeting, in which there would be adequate preparation on both sides for such a meeting.

Q. For October?

The President. Well, whatever the time is. We'll just wait. So far all we know is what he said in the paper. And, you know, not speaking of the American press, but that foreign press—sometimes you have to worry about whether they can be depended on.

U.K.-Argentine Dispute

Q. Sir, if they start shooting in the South Atlantic, which side are we on? Do we have to choose sides at all——

Mr. Speakes. We've got to quit, Sam [Sam Donaldson, ABC News]. I'm sorry.

Q. ——or do we stay out of it?

The President. He's just——

Q. I think he wants to answer.

Q. He wants to answer.

The President. Sam, you just think because you're standing right behind Helen that you can get in another question.

Q. She's taught me everything I know, sir.

The President. My keeper says I've got to go back in. Thank you.

Q. Whose side would we be on, sir? I mean, if worse comes to worse, do we have to takes sides, or can we stay out of it?

The President. No answer to that question now. That would be a terrible thing to say in the midst of all the delicate negotiations that are going on.

Q. I think that's the sound of concrete cracking around the surtax. [*Laughter*] And for us poor people that surtax is going to hurt. [*Laughter*]

The President. We'll make it up to you, Sam. [*Laughter*]

Note: The President spoke at 2:38 p.m. in the Rose Garden at the White House.

Nomination of James Kilburn Asselstine To Be a Member of the Nuclear Regulatory Commission

April 20, 1982

The President today announced his intention to nominate James Kilburn Asselstine to be a member of the Nuclear Regulatory Commission for the remainder of the term expiring June 30, 1982, and also for the full 5-year term expiring June 30, 1987. He would succeed Peter Amory Bradford.

Since January 1981, he has been serving as associate counsel, Senate Committee on Environment and Public Works. He was minority counsel, Nuclear Regulation Subcommittee, Senate Committee on Environment and Public Works, in 1978–1981. He was a staff attorney in the Regulations Division, Office of the Executive Legal Director, U.S. Nuclear Regulatory Commission, in 1977–1978. He served as assistant counsel, Congressional Joint Committee on Atomic Energy, in 1975–1977 and was legal intern and staff attorney, Atomic Safety and Licensing Appeal Panel, U.S. Nuclear Regulatory Commission, in 1973–1975.

Mr. Asselstine graduated from Virginia Polytechnic Institute (B.A., 1970) and the University of Virginia (J.D., 1973). He is married and resides in Alexandria, Va. He was born June 7, 1948.

Letter to the Speaker of the House and the President of the Senate Requesting Fiscal Year 1983 and 1984 Authorization for Ship Procurement

April 21, 1982

Dear Mr. Speaker: (Dear Mr. President:)

This letter is submitted in compliance with Section 810 of the Department of Defense Appropriation Authorization Act, 1979. That section requires me to provide the Congress with my conclusions with respect to the survivability, cost effectiveness, and combat effectiveness of any new ship requested for the combatant forces; a recommendation whether the ship should be nuclear or conventionally powered; and the reasons for my conclusions and recommendations. Authorization is being requested for fiscal years 1983 and 1984 for the ships listed in the attachment to this letter. With the exception of a new class of amphibious assault ship, the LHD-1 Class, ships of these combatant classes have been authorized in the past. All of these ships are considered to be combat effective. Because ships last 25 to 30 years or more, their effectiveness will be enhanced in the future as new equipment is added. Combat effectiveness is judged in terms of the ability of each ship to accomplish the mission for which it was designed. In all cases, these ships provide more capability than the ships of comparable type or class that are scheduled to be retired as the new ones are delivered.

The ships are considered to be cost effective in relation to the various missions they are to perform. In determining cost effectiveness, consideration is given to several factors, including alternative power systems and alternative weapons systems that may be used to accomplish the missions of the ship and the fact that it is difficult to prorate the total cost of a ship among all of the missions it is designed to perform. Cost effectiveness is considered acceptable for the continuing programs requested for fiscal years 1983 and 1984 because the ships can accomplish their primary missions and because nonrecurring costs have been incurred and production is underway. The Amphibious Assault (LHD-1) Class ship will be based on the LHA-1 Class hull design, of which five are in the Fleet. Conventionally powered propulsion systems are planned for the AEGIS Cruiser (CG-47), the Fleet Guided Missile Frigate (FFG), the LSD-41, and the LHD-1 Class ships since these systems are adequate for these ships to accomplish their missions and have lower procurement costs.

Compared to the ships now in the Fleet, class for class, the ships in this authorization request are more survivable. Survivability in this sense is measured by the ability of each ship to defend itself as well as the ability to withstand hits when confronted with existing and projected threats.

Nuclear power is proposed for three of the ship types for which authorization is requested. They are the submarines and the aircraft carriers. In view of sizing requirements and the higher investment cost of nuclear powered ships, I believe that nuclear power should be limited to those ships for which clear benefits are derived. Hence, I recommend that these ships be nuclear powered and that the others be conventionally powered.

The Navy will address each of these conclusions and recommendations in greater detail.

Sincerely,

RONALD REAGAN

AUTHORIZATION REQUESTED FOR COMBATANT SHIPS

	Fiscal year	
	1983	1984
TRIDENT Class Nuclear Submarine	2	1
CVN-68 Class Nuclear Aircraft Carrier	2	0
SSN-688 Class Nuclear Attack Submarine	2	3
CG-47 Class AEGIS Cruiser	3	3

AUTHORIZATION REQUESTED FOR COMBATANT SHIPS—Continued

	Fiscal year	
	1983	1984
LSD–41 Class Landing Ship Dock	1	1
LHD–1 Class Amphibious Assault Ship		1
FFG–7 Class Guided Missile Frigate	2	2

Note: This is the text of identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and George Bush, President of the Senate.

Message to the Congress Transmitting the Annual Science and Technology Report

April 21, 1982

To the Congress of the United States:

I am pleased to submit to the Congress the fourth Annual Science and Technology Report as required under the National Science and Technology Policy, Organization, and Priorities Act of 1976. This is the first such report of my Administration.

Science and technology are essential to the accomplishment of the goals of this Administration and the needs of the American people for jobs, enhanced national security, increased international competitiveness, and better health and quality of life. The continued advancement of both theoretical and applied scientific knowledge is of vital importance to continued human progress and the resolution of the complex problems facing the world in the years ahead.

This Report emphasizes the important role of the Federal government in supporting our scientific enterprise. But it also emphasizes that some things can best be done by the private sector. I believe that together we will be able to harness science and technology to meet the needs and aspirations of all our people.

RONALD REAGAN

The White House,
April 21, 1982.

Note: The 199-page report is entitled "Annual Science and Technology Report to the Congress: 1981—Office of Science and Technology Policy in Cooperation With the National Science Foundation."

Letter Accepting the Resignation of Adm. B. R. Inman as Deputy Director of the Central Intelligence Agency

April 21, 1982

Dear Bob:

It is with deep regret that I accept your resignation. Your dedication and contributions to the United States over more than 30 years of naval service have been of inestimable value.

The culmination of your naval career as Deputy Director of Central Intelligence has been especially significant for my administration. Your leadership and wise counsel in our efforts to rebuild the U.S. Intelligence Community have been instrumental in the successes we have achieved.

You leave the Intelligence Community in a strengthened and enhanced posture, far better equipped to deal with the many emergencies we face as a nation than when you assumed your position. I am sincerely grateful that you consented to serve and thank you for a job well done.

Sincerely,

RON

March 22, 1982

Dear Mr. President,

As you know, because of the expressed need for my experience in helping Director Casey organize, re-orient and begin rebuilding the capabilities of the CIA and the rest of the Intelligence Community, I reluctantly accepted your request last year that I serve as the Deputy Director of Central Intelligence. I believe that initial challenge has been met and that it is now time that I move on to fresh challenges. Accordingly, I would be grateful if you would accept my resignation from assignment as the Deputy Director of Central Intelligence.

Subject to your desires, I will remain in place until my successor has been confirmed, but would hope, for family reasons, that that process can be completed prior to the end of the summer. In the absence of another active duty assignment, which I do not anticipate, I will separately request retirement from military service via the Secretary of the Navy, effective on the first of the month following confirmation of my successor.

I believe the commitment you have made to rebuilding the capabilities of the U.S. Intelligence Community over the years ahead will rank as one of the major contributions of your first term. I count myself fortunate to have had a small part in that undertaking. I have every confidence that you will sustain the necessary flow of people and resources to complete the rebuilding in the years ahead. You and Director Casey have my best wishes for continued success.

Very respectfully,

BOB
B. R. Inman
Admiral, U.S. Navy
Deputy Director of Central Intelligence

Nomination of D. Bruce Merrifield To Be an Assistant Secretary of Commerce

April 22, 1982

The President today announced his intention to nominate D. Bruce Merrifield to be an Assistant Secretary of Commerce (Productivity, Technology and Innovation). He would succeed Jordan J. Baruch.

Since 1977 he has been with the Continental Group in Stamford, Conn., and is currently serving as vice president of technology and venture management. He was vice president of technology for the Hooker Chemical Co. in 1968–1977. He was director of Petrolite Corp. in 1963–1968. Mr. Merrifield was manager of the Texas U.S. Chemical Co. in 1956–1963 and group leader for the Monsanto Co. in 1950–1956.

He graduated from Princeton University (B.S., 1942) and the University of Chicago (Ph. D., 1950). He is married and has three children. He resides in Darien, Conn., and was born June 13, 1921.

Nomination of Arthur J. Dellinger, Sr., To Be Deputy Inspector General of the Department of Energy

April 22, 1982

The President today announced his intention to nominate Arthur J. Dellinger, Sr., to be Deputy Inspector General of the Department of Energy. He would succeed Thomas S. Williamson.

Since 1946 Mr. Dellinger has been senior partner of Dellinger and Dellinger, Certified Public Accountants, in Los Angeles, Calif. He served in the United States Army Air Corps in 1942–1946. He conducted practice as a public accountant in 1939–1942. He was with the Southern California Edison Co. in 1937–1939 and Bank of America in 1936–1937.

Mr. Dellinger attended LaSalle Extension University (1937–1942), the University of San Fernando Valley, College of Law (1966–1969), and graduated from the University of West Los Angeles, College of Law (LL.B., 1970). He is married and resides in Culver City, Calif. He was born December 12, 1917.

Remarks on Accepting the Honorary Chairmanship of the VIIth Paralympic Games

April 22, 1982

Mr. Conn. Mr. President, I want you to note that we brought this discus with us. It was used by the U.S. Paralympic team during the first competition of the U.S. team in Rome in 1960. We would be very honored, sir, on the occasion of this kickoff, if you would sign it for us at your leisure, and we would like to have it permanently ensconced in the National Wheelchair Athletic Hall of Fame.

The President. I would be very proud to sign that. I'll have to wait until I get over to my desk there. I didn't bring a pen with me.

Mr. Conn. All right, sir.

The President. Here is a pen. Let me see if it will write.

Mr. Conn. Thank you very much, sir. We're most honored. Now Chairman of the Board Wiley has some remarks.

Mr. Wiley. Mr. President, on behalf of the National Wheelchair Athletic Association and the Paralympic Board of Directors we are honored and pleased that you have accepted the honorary chairmanship of the VIIth Paralympic Games to be held at the University of Illinois in 1984. These games are traditionally held in the same host country as our able-bodied games are. They have been since 1960. Your endorsement and support lends meaning and purpose and certainly encourages the thousands of men and women that compete in wheelchair sports. These men and women are truly athletes in the true sense of the word, and for this I'm honored and privileged to present to you this scroll in your role as honorary chairman of the VIIth Paralympic Games.

The President. Well, I am greatly honored. I'm honored to be the honorary national chairman of those VIIth Paralympic Games, and I'm honored to be an honorary member of the National Wheelchair Athletic Association.

I know something about and have heard about the prowess of our basketball players here in the first two of the Paralympics, and I'm very pleased that they finally are going to be held here. I did not understand at the time that they were always held in the same country as the other Olympics. But they're also now going to be held in my home State, Illinois—the University of Illinois. I'm very pleased.

I think that you should be very proud—all of you—and you must be, for what the

National Wheelchair Athletic Association and what the Paralympics have done and achieved so much and done it without relying on government support or even suggesting such a thing. And I know how many of those who've performed in these athletic contests have gone on from this to challenging jobs.

And, just as I say, I'm very proud and pleased. I wish you all well in the games to come here.

Mr. Conn. Thank you very much, sir.

Mr. Wiley. Thank you very much, sir.

Note: The President spoke at 4:21 p.m. in the Oval Office at the White House. Also participating in the ceremony were George Conn, Commissioner, Rehabilitation Services Administration, Department of Education, and B. Dale Wiley, chairman of the National Wheelchair Athletic Association.

Remarks at a White House Reception Commemorating the 50th Anniversary of the Folger Shakespeare Library

April 22, 1982

Thank you, Jane and Dr. Hardison and friends of the Folger. I don't know; you've brought back a little nostalgia. I could date myself completely and tell you that once in college I played in "Taming of the Shrew" done in modern costume, and my wardrobe was plus-four knickers. [*Laughter*] I also, however, think that if anyone had been reviewing plays at that time in that college, I might have gotten something like the line that was once given about an actor who played King Lear and said he played it as if someone else had played the ace. [*Laughter*]

But it's a real pleasure for Nancy and me to take part with you in this celebration of Folger Library's 50th or golden anniversary. I value my membership in the Order of the Folger as a great honor.

In the "Merchant of Venice," Shakespeare wrote of a small candle and of how far it throws its beams. And as we look about us in this troubled world, with its tensions and complexities, a collection of literature and art—however rare and great—may seem a very small candle indeed. But access to the masterpieces of our language opens a door to the great minds that gave them birth.

This light that you sustain throws its beams across our land, adding to the perspective, understanding, and character of our people. All Americans can be proud that the finest collection of Shakespeare's work is on this side of the Atlantic. It belongs to mankind, but it's possessed and cared for by us, through the Folger Library. Henry and Emily Folger's gift of 50 years ago is today a priceless treasure which must be preserved and enlarged, as the inheritance of Americans, in generations to come.

You've worked hard and contributed much so that the Folger may maintain its high standards despite growing financial pressures, and for that the country thanks you. But just as important has been your dedication to sharing the Folger treasures with all of our people—the constantly changing exhibits of the library and the excellence of Folger Theatre productions serve not only Washingtonians but the thousands of our countrymen who visit here every year.

Your decision to take exhibits on tour around the country, however, represents perhaps your finest undertaking. As your collection moves from one of our cities to the next, millions more will be able to share at firsthand this wealth that is their heritage.

It's been said that a true classic enriches the human mind, augments its treasures, and pushes mankind forward another step. Think of the riches bound in the volume upon volume of classics in your charge.

Someone once pointed out to me that all the complexities and the troubles of the world—and yet there at hand, simply by opening the covers of books, we could find from the past the answers to every one of the problems that beset us, if we would only turn to them and heed those words.

Imagine the fortune in ideas those books hold and the progress we can measure by understanding them. The energy in your one little candle has the power to light the world.

I'm grateful for the honors that you have given me this afternoon and wish you continued success in bringing another 50 years of insight and enlightenment to our people. And, Jane, even if it isn't pure gold—[*referring to the key to the library*]—if it was, Dave Stockman would have gotten it by now—[*laughter*]—this ensures that I can keep it, and I thank you all very much. Thank you.

Note: The President spoke at 5:30 p.m. in the East Room at the White House. Prior to his remarks, the President was inducted into the Order of the Folger by Jane Weinberger, chairman of the Folger trustees, and Dr. O. B. Hardison, Jr., director of the Library. As Dr. Hardison read a scroll, Mrs. Weinberger presented the President with a key to the Library and a medal in recognition of the President's contributions to the arts and culture of America.

Executive Order 12359—Public International Organizations Entitled To Enjoy Privileges, Exemptions, and Immunities

April 22, 1982

By the authority vested in me as President of the United States of America by Section 1 of the International Organizations Immunities Act (59 Stat. 669, 22 U.S.C. 288), and having found that the United States participates in the following organizations, it is hereby ordered as follows:

Section 1. The Multinational Force and Observers, in which the United States participates pursuant to Section 138 of Public Law 97-51 and Public Law 97-132, is hereby designated as a public international organization entitled to enjoy the privileges, exemptions, and immunities conferred by the International Organizations Immunities Act.

Sec. 2. The International Food Policy Research Institute, in which the United States participates pursuant to Section 301(h) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2221(h)), is hereby designated as a public international organization entitled to enjoy the privileges, exemptions, and immunities conferred by the International Organizations Immunities Act; except those provided by Section 2(a), Section 2(b), Section 2(c), that portion of the last clause of Section 2(d) relating to official communications, and Section 7(b) of that Act (22 U.S.C. 288a (a), (b), (c), the last clause of (d) and 288d(b)).

RONALD REAGAN

The White House,
April 22, 1982.

[Filed with the Office of the Federal Register, 10:54 a.m., April 23, 1982]

Note: The text of the Executive order was released by the Office of the Press Secretary on April 23.

Remarks on Signing Executive Order 12360, Establishing the President's Task Force on Victims of Crime

April 23, 1982

The President. Ladies and gentlemen, I'd like to present first the Chairman of our task force on the matter that brings us here today, Lois Herrington.

Ms. Herrington. Thank you, Mr. President, Mr. Meese, and all the rest.

Today the President is creating a task force to study the problems of those who are victimized by crime. He is doing so because of his deep concern for these often forgotten citizens.

We give a great deal of attention to those who break the law, but the system often neglects those whose harm forms the very basis for the system's existence. This President wants to end that neglect. He cares about the problems of victims. Proclaiming Victims Week and creating this task force are certainly signs of the priority he has placed on meeting their needs.

Crime is a problem of major concern in America. We confront a situation in which people are afraid to be on the streets, and they are afraid in their homes where they expect to feel safe. The problems of crime and the victims left in its wake exist in every community and cut across every age, ethnic, and economic line. We must find a practical, effective, and humane way to deal with this crippling problem. It's clearly one which has many dimensions and which must be addressed in many different prospectives.

It will be the focus of this task force to study the problems of the victims. These victims include the most vulnerable and the least able to help themselves—the elderly, our children, the handicapped. They include the frightened, the homeowner who feels his home not to be a safe haven, the teacher and the student who find their schools unsafe, the owner of the small business, such as the small grocery store who's such a target for the armed robbers. They include those trapped and without options living in the most dangerous areas of our cities.

We will also consider the manner in which society itself is victimized, the changes this threat has forced on the way we live our lives, and the hidden costs in everything we buy imposed to cover theft and the protection against it.

After looking at these and a variety of other areas, we will prepare a report outlining the scope of the problems we find, as well as those solutions which public and private institutions can provide. And in conducting our investigation we will, of course, speak to all those in the system: the judges and the attorneys; the police; probation, correction officers.

But mostly, we want to hear from those who are our chief concern: the victims of the crime. Determining how best to deal with the victims and helping them through the first shock of the attack, protecting and guiding them through an often impersonal and threatening court system, ensuring that they have a chance to be heard, and helping to ensure they won't be harmed again is an enormous task and enormous challenge.

We may not be able to prevent this from being a country in which the innocent are victimized, but we can reduce the number of victims and ensure that those victims who remain are treated with care and concern.

Thank you. Thank you, Mr. President.

The President. Lois, thank you.

Well, as Lois has just told us, the innocent victims of crime have frequently been overlooked by our criminal justice system, and their pleas for justice have gone unheeded and their wounds—personal, emotional, and financial—have gone unattended. So, I'm signing today an Executive order establishing the President's Task Force on Victims of Crime.

This task force, which will involve both government officials and distinguished private citizens, will conduct a thorough review of national, State, and local policies and programs that affect victims of crime. It'll report later this year to me and to the Attorney General on how we can expand

and improve our efforts at all levels of government to assist and protect our fellow citizens who are victimized by lawlessness.

I think it especially appropriate that this task force is being established during Crime Victims Week. In proclaiming Crime Victims Week, I stated that our commitment to criminal justice goes far deeper than our desire to punish the guilty or to deter those considering a lawless course. Our laws represent the collective moral voice of a free society—a voice that articulates our shared beliefs about the rules of civilized behavior. Both the observance of Crime Victims Week and the creation of this task force are entirely consistent with principles that lie at the heart of our nation's belief in freedom under law.

Those principles will lose their meaning and our citizens will lose faith in them if we concentrate solely on punishing criminals and ignore the suffering of those upon whom the criminals prey. They should not be treated as ciphers on a statistician's chart. They are our fellow citizens—human beings who have experienced the tragedies of grievous personal injury, lost homes, ruined businesses, stolen belongings, and even the death of loved ones because some among us choose in cruel and violent ways to defy the rule of law.

Our concern for crime victims rests on far more than simple recognition that it could happen to any of us. It's also rooted in the realization that regardless of who is victimized or the extent to which any one of us may personally be threatened, all of us have an interest in seeing that justice is done not only to the criminal but also for those who suffer the consequences of his crime.

In creating this task force, I have no naive or Pollyanna view of the scope of the problem that we face on—or the ease with which sound practical solutions can be developed and put into practice. But I am convinced both that we should and that we can achieve more than has been accomplished in the past.

This problem causes personal hardships that those who have not suffered directly at the hands of criminals can scarcely imagine. It merits our most serious attention. Moving closer to a solution will demand the best coordinated efforts of concerned private citizens and of responsible public officials at the Federal, State, and local levels. The task force is intended to help bring that about.

The Constitution that I'm sworn to uphold speaks in its first sentence of the importance of ensuring domestic tranquillity for our citizens. Consistent with that responsibility, I'm committed to elevating and improving our efforts on behalf of victims of crime. This task force is designed not simply to demonstrate our concern but to make a swift, serious, and substantial contribution to solving the problem.

I know that its members, under the chairmanship of Lois Herrington, will meet the challenge. I would only emphasize, as they begin their task, that all of us in the administration stand behind them, eager to contribute and assist in any way.

And now I shall sign the Executive order.

[*The President signed the Executive order.*]

Mission accomplished.

Reporter. Mr. President, are you going to see Francis Pym today—the Foreign Secretary, sir?

The President. It's a nice day. We'll talk about that later. [*Laughter*]

Note: The President spoke at 12:10 p.m. to reporters assembled in the Rose Garden at the White House.

Executive Order 12360—President's Task Force on Victims of Crime

April 23, 1982

By the authority vested in me as President by the Constitution of the United States of America, and in order to establish, in accordance with the provisions of the

Federal Advisory Committee Act, as amended (5 U.S.C. App. I), an advisory committee on victims of crime, it is hereby ordered as follows:

Section 1. Establishment. (a) There is established the President's Task Force on Victims of Crime. The Task Force shall be composed of members from public and private life who shall be appointed by the President.

(b) The President shall designate a Chairman from among the members of the Task Force.

Sec. 2. Functions. (a) The Task Force shall conduct a review of national, state and local policies and programs affecting victims of crime.

(b) The Task Force shall work with the Cabinet Council on Legal Policy.

(c) It shall advise the President and the Attorney General with respect to actions which can be undertaken to improve our efforts to assist and protect victims of crime.

Sec. 3. Administration. (a) Members of the Task Force shall serve without any compensation for their work on the Task Force. However, they shall be entitled to travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the government service (5 U.S.C. 5701–5707).

(b) Any expenses of the Task Force shall, to the extent permitted by law and subject to the availability of funds, be paid from funds available to the Attorney General.

Sec. 4. General. (a) Notwithstanding the provisions of any other Executive order, the responsibilities of the President under the Federal Advisory Committee Act, as amended, except that of reporting annually to the Congress, which are applicable to the Task Force established by this Order, shall be performed by the Attorney General in accordance with guidelines and procedures established by the Administrator of General Services.

(b) The Task Force shall terminate on December 31, 1982, unless sooner extended.

RONALD REAGAN

The White House,
April 23, 1982.

[*Filed with the Office of the Federal Register, 4 p.m., April 23, 1982*]

Message to the Congress Reporting a Budget Rescission and Deferrals

April 23, 1982

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report one revision to an existing rescission proposal reducing the amount proposed for rescission by $3.4 billion, three new deferrals of budget authority totaling $87.5 million, and two revisions to existing deferrals increasing the amount deferred by $1 million.

The revision to the rescission proposal affects subsidized housing programs in the Department of Housing and Urban Development.

The deferrals affect programs in the Departments of Agriculture, State, and Transportation.

The details of each rescission proposal and deferral are contained in the attached reports.

RONALD REAGAN

The White House,
April 23, 1982.

Note: The attachments detailing the proposed rescission and deferrals are printed in the Federal Register *of April 28, 1982.*

Message on the Observance of National Dance Week, April 25–May 1, 1982

April 23, 1982

During National Dance Week, Nancy and I are delighted to join with America's dancers, choreographers, teachers, and dance lovers celebrating our nation's liveliest art.

This century has witnessed dramatic growth and innovation in the world of dance, with American choreographers and dancers playing a principal role in defining twentieth century dance around the globe.

Thanks in large measure to the generosity and initiative of individual citizens and corporations, American dance companies have flourished, providing opportunities for many new and talented young artists. These creative men and women have made the United States the dance capital of the world.

In its many variations—ballet, jazz, tap, folk, and modern—dance has become an integral part of America's cultural life, winning the highest accolades both here and abroad.

We ask all Americans to join with us in celebrating dance as a dynamic expression of the American spirit and an important part of our national heritage.

RONALD REAGAN

Nomination of Robert Anderson To Be United States Ambassador to the Dominican Republic

April 23, 1982

The President today announced his intention to nominate Robert Anderson to be Ambassador to the Dominican Republic. He would succeed Robert L. Yost.

Mr. Anderson served in the United States Army as first lieutenant in 1943–1946. He began his Foreign Service career in 1946 as transport officer in Shanghai. He was political officer in Nanking from 1947–1949 and served on temporary duty in the Department from 1949–1950. He was principal officer in Chiengmai (1950–1951), political officer in Bangkok (1951–1952) and in New Delhi (1953–1955). In the Department he was the Ceylon desk officer in the Bureau of Near Eastern and South Asian Affairs (1955–1957), and staff assistant in the Bureau of Public Affairs (1957–1959). He was chief of the reports section in Bordeaux (1959–1961), commercial policy officer in Paris (1961), and special assistant to the Ambassador in Paris (1962–1963). In the Department he was Special Assistant to the Deputy Secretary of State (1963–1965), Deputy Director of the Office of Western European Affairs (1965–1966), and Country Director of France and Benelux (1966–1968). In 1968–1972, he was counselor for political affairs in Paris. He was Ambassador to Dahomey (now, People's Republic of Benin) in 1972–1974. In the Department he was Special Assistant for Press Relations to the Secretary of State and spokesman for the Department of State from 1974–1976. He was Ambassador to the Kingdom of Morocco in 1976–1978, and since 1978 he has been Special Assistant for International Affairs to the Commander in Chief of Atlantic and Supreme Allied Commander, Atlantic, Norfolk, Va.

Mr. Anderson graduated from Yale University (B.A., 1944). He is married, has three children, and resides in Washington, D.C. He was born January 6, 1922.

Nomination of Edward N. Brandt, Jr., To Be United States Representative on the Executive Board of the World Health Organization

April 23, 1982

The President today announced his intention to nominate Edward N. Brandt, Jr., to be Representative of the United States on the Executive Board of the World Health Organization. He would succeed Dr. S. Paul Ehrlich, Jr.

Since May 1981, Dr. Brandt has been serving as Assistant Secretary for Health, Department of Health and Human Services. He was vice chancellor for health affairs for the University of Texas in Austin in 1977–1981. He was executive dean of the University of Texas Medical Branch in Galveston in 1970–1977. He also served as professor in the university's departments of preventive medicine and family medicine in 1970–1977. In 1962–1970, Dr. Brandt was with the University of Oklahoma Medical Center, first as director of the medical research computer and later as associate dean.

Dr. Brandt graduated from the University of Oklahoma (B.S., 1954), Oklahoma State University (M.S., 1955), the University of Oklahoma Medical Center (M.D., 1960; Ph. D., 1963). He is married, has three children, and resides in Austin, Tex. He was born July 3, 1933.

Nomination of Six Members of the National Council on the Humanities

April 23, 1982

The President today announced his intention to nominate the following individuals to be members of the National Council on the Humanities, National Foundation for the Humanities, for terms expiring January 26, 1988.

Rita Ricardo-Campbell is senior fellow, Hoover Institution, in Stanford, Calif. She resides in Los Altos Hills, Calif., and was born March 16, 1920. She would succeed Nancy Davies.

A. Lawrence Chickering is currently executive director of the Institute for Contemporary Studies in San Francisco, Calif. He resides in San Francisco and was born February 3, 1941. He would succeed Richard Wall Lyman.

Dr. Jeffrey Hart is a professor of English literature at Dartmouth College in Hanover, N.H. He resides in Lyme, N.H., and was born February 24, 1930. He would succeed Jay Gordon Hall.

Gertrude Himmelfarb is currently chairman and professor of the department of history at City University in New York, N.Y. She resides in New York City and was born August 8, 1922. She would succeed Marian B. Javits.

James Clayburn La Force, Jr., is currently dean of the graduate school of management at the University of California in Los Angeles. He resides in Los Angeles and was born December 28, 1928. He would succeed Dave Warren.

Dr. Peter J. Stanlis is a professor of English at Rockford College in Rockford, Ill. He resides in Rockford and was born August 19, 1919. He would succeed John Walton Wolfe.

Radio Address to the Nation on Taxes, the Tuition Tax Credit, and Interest Rates

April 24, 1982

My fellow Americans:

I'd like to talk about three items today, beginning with taxes. About 10 days ago we all kept our rendezvous with the Internal Revenue Service and anted up our income tax. If it'll help ease the pain, let me remind you that in about 2 months, on July 1st, you'll start paying 10 percent less income tax on what you earn.

But that won't mean anything to a growing group of citizens who've already given themselves a tax cut. It's estimated that about $95 billion in income tax is not being paid. That's enough to balance the budget.

Now, if your first reaction was that these are big money operators using tax shelters—and there are some doing that—I'm not talking about them. The $95 billion is tax owed on an estimated $450 billion in, for want of a better word, the underground economy. The people in this economy are, I'm sure, honest people in most of their activities; they just have a double standard where taxes are concerned. They can be the friendly neighborhood fix-it man, a mechanic, craftsman, or a member of the professions. They have one thing in common—they prefer to be paid in cash. The underground economy is a kind of cash-and-carry barter system—no checks, no records or bookkeeping, and thus no tax.

As we struggle to trim government spending, it's hard not to think of how close that unpaid tax could come to wiping out the deficit. If I could paraphrase a line from a well-known old poem, "Breathes there a man with soul so dead who never to himself has said: I owe it to my country and my fellow citizens to quit being a freeloader."

Item two: A short time ago, I announced I was asking Congress to pass a bill allowing a tuition tax credit for families sending children to independent or parochial schools. The credit would be for half the tuition up to a ceiling of $500 per child. That ceiling wouldn't apply until 1985. It would be lower to start with and would only apply to families with adjusted gross incomes below $50,000 a year. It would also only be for tuition to elementary and secondary schools. I wish it could be for college, also, but maybe we can do that later when we've solved a few problems.

The public school lobby has protested that this is an attack on the public schools for the benefit of students attending exclusive finishing or prep schools. Well, the overwhelming majority of so-called private schools are church-supported—Catholic, Protestant, and Jewish. The majority of students are from families earning less than $25,000. In some of our large cities, 40 percent of the parochial school students are from minority neighborhoods. Their families pay their full share of taxes to fund the public schools. How high would those taxes go for everyone if those parents decided to send their children to public schools? I think they're entitled to some relief since they're supporting two school systems and only using one.

And now item three: A couple of weeks ago, I told you of how high interest rates were holding back recovery, that a lender must get a return on his money, plus the rate of inflation. For 6 months, inflation has been running at an annualized rate of only 3.2 percent. And, as you know, last month it actually went down three-tenths of 1 percent, the first time in 17 years.

Adding on to that a fair return for a lender, interest rates shouldn't be higher than 10 percent. They are, of course, because the money market, having been burned in past recessions by artificial quick fixes, is afraid that inflation will take off again.

Two industries vital to economic recovery have been especially hard hit by high interest rates—automobiles and housing. But it seems not everyone out there in the marketplace is afraid. The Automobile Dealers Association of Eastern Ohio asked some banks to lower interest rates for new car purchases. The rates were lowered from a 16- to 18-percent level down to 12.9 percent for a 2-week period, March 1st to 13th. The response was so overwhelming they extended the period to March 20th. In the first 3 weeks of February, car dealers of the Youngstown-Warren area had only sold 344 cars and trucks. In those first 20 days in March, they sold 2,200.

In Plainfield, Indiana, whether by coincidence or because he'd heard about this, Mr. Hursel C. Disney, chairman of the First National Bank and Trust, lowered interest rates almost four points for loans to buy cars and trucks, making $2 million available for that purpose. His offer has met with the same overwhelming response. Mr. Disney says the offer is good as long as the $2 million lasts.

I have no way of knowing how far this idea has spread. But one of the major automobile companies which has its own lending operation is now advertising that until May 31st the interest rate on loans for their cars and trucks will be 12.8 percent. And just the other day, the news reported something similar had started in home mortgages.

You know, there really is something magic about the marketplace when it's free to operate. As the song says, "This could be the start of something big."

Thanks for listening, and God bless you.

Note: The President spoke at 12:06 p.m. from the Oval Office at the White House.

Statement on the Death of Representative John M. Ashbrook of Ohio

April 24, 1982

John Ashbrook was a man of courage and principle. He served his constituents and his country with dedication and devotion, always working toward the betterment of his fellow man. His patriotism and deep belief in the greatness of America never wavered, and his articulate and passionate calls for a return to old-fashioned American values earned him the respect of all who knew him.

I valued John Ashbrook's friendship and will miss his wise counsel. Nancy and I join in sending our deepest sympathy to John's family.

White House Statement on the Israeli Withdrawal From the Sinai Peninsula

April 25, 1982

We note today the successful completion by Israel of the withdrawal of its forces from the Sinai Peninsula and the reestablishment there of full Egyptian sovereignty. The President believes that withdrawal represents a truly major sacrifice by Israel, and he admires its courage in taking the great risks which true peace requires. He admires as well the courageous Egyptian initiative without which peace with Israel would not have been achieved.

Israeli withdrawal from Sinai marks the beginning of a new era in the peaceful relations between Israel and Egypt, peaceful relations which should be taken by us all as the model for the future in that troubled region. The President is determined that the United States, together with Egypt and Israel, will continue to pursue the course of peace, under Camp David, with renewed vigor and dedication. It will not be an easy task but, with the example of Egypt and Israel before us, it can be achieved.

Remarks at the Annual Meeting of the United States Chamber of Commerce

April 26, 1982

Thank you all very much, and good morning to you all.

Don Kendall, I have a hunch you knew exactly what you were doing. First the patriotic music and then your, I found, inspiring speech. And I understand that you have a great film and what do you know?—we've all caught that Pepsi spirit. [*Laughter*]

Incidentally, I think you feel as I do about this magnificent group behind me here. Sometime I'm going to come out on one of these occasions, stand up and make the audience happy by saying, "I'm canceling the speech, and they're going to do a concert." [*Laughter*]

Don Kendall is a powerful spokesman for free enterprise, and I think as a chairman, he's a "10."

Well, this is a happy day, and I'm honored to be with you. You've earned the great respect of individuals and organizations all across this country and, may I say, a warm spot in my heart.

The Chamber is celebrating an important milestone this week, your 70th anniversary. I remember the day you started. [*Laughter*] And like good wine, you've grown better, not older. The membership of the Chamber of Commerce of the United States is the only thing that's grown faster than the Federal Government—thank heaven! [*Laughter*]

Great organizations don't just happen; they're built by strong leaders with vision and determination to reach a greater good. Back in 1975, such a leader arrived at the National Chamber. He came with a sense of history, an understanding of the economy, a belief in America and her future and, with his new staff, worked out your statement of mission: "To advance human progress through an economic, political, and social system based on individual freedom, incentive, initiative, opportunity, and responsibility."

No one ever summed up better those values and goals we share than your president, Dick Lesher, 7 years ago. And no organization works harder to advance human progress and freedom than the U.S. Chamber under his leadership, together with your State and local chambers. Thank you all for all you're doing. Our administration deeply appreciates your decisive contributions to helping us as we try to get this country back on track.

Someone else deserves special recognition today. For 31 years he's been with you, a rock of stability and integrity for the Chamber. He's lived the meaning of Abe Lincoln's words, "Important principles may and must be inflexible."

Bill Van Meter, I know you'll be retiring soon as senior vice president, and I know you're out there somewhere. Would you and Dick please stand up so we can salute you both?

Now, some may wonder, what does an organization do for an encore after it increases its membership fivefold in 7 years, creates an army of grassroots support, sets up its own magazine, newspaper, and radio and television shows? Well, if I could make a suggestion, our administration has a few unfinished small problems—about $400 billion worth on Capitol Hill we'd love to have your help on. I think you will help us, just like you did before.

Accepting important challenges is the Chamber's stock-in-trade, and a new one begins today: How about the first business satellite television network system in the world—a system that can reach every community in this country to promote and strengthen our enterprise system? My staff said this would be the first speech carried over Biznet. Forgive me, I just had to ask them, "Do you really think the Chamber is ready for another Inaugural Address already?" [*Laughter*]

What you are doing here, the tremendous growth that you've recently enjoyed, all underscores a truth too often ignored in Washington: The most powerful force for progress in this world doesn't come from government elites, public programs, or even precious resources like oil or gold. True wealth comes from the heart, from the treasure of ideas and spirit, from the investments of millions of brave people with hope for the future, trust in their fellow men, and faith in God.

The American dream of human progress through freedom and equality of opportunity in competitive enterprise is still the most revolutionary idea in the world today. It's also the most successful.

Entrepreneurs are heroes of modern times. They rarely receive the credit they deserve. Treasury Secretary Don Regan recently reminded the student body of Bucknell University that it was under capitalism that mankind brought "light where before there was darkness, heat where once there was only cold, medicines where there was sickness and disease, food where there was scarcity, and wealth where humanity was living in squalor." And much of what he was talking about came into being in the lifetime of many of us here in this room. Now, I've already lived about 20 years longer than my life expectancy at the time I was born. That's a source of annoyance to a great many people. [*Laughter*]

But the societies which achieve the most spectacular progress in the shortest period of time are not the most tightly controlled, the biggest in size, or the wealthiest in material resources. They are societies that reward initiative and believe in the magic of the marketplace.

Trust the people—that's the secret weapon. Only when people are free to worship, create, and build, only when they can decide their destiny and benefit from their own risks—only then do societies become dynamic, prosperous, progressive, and free.

America has always done well when we had the courage to believe in ourselves, our values, and our capacity to perform great deeds. We got into trouble when we listened to those who insisted that making government bigger would make America bigger. Big government, they told us, was the wave of the future, and anyone who stood in their way was a reactionary.

Not long ago, Senator Ted Kennedy paid tribute to former Governor and Ambassador Averell Harriman, celebrating—I believe it was—his 90th birthday. And the Senator said of Ambassador Harriman's age that he was only half as old as Ronald Reagan's ideas. Well, do you know something?—he's absolutely right. The United States Constitution is almost 200 years old. And I've found that that Constitution's a good place to get ideas.

Thomas Jefferson was no reactionary, he was a true progressive when he warned, the only safe depository of the ultimate powers of society are with the people themselves. The 10th amendment tells us the Federal Government will do only those things called for in the Constitution, and all others shall remain with the States or with the people.

We've strayed much too far from that noble beginning. The whole purpose of our Revolution—personal freedom, equality of opportunity, and keeping government close to the people—is threatened by a Federal spending machine that takes too much money from the people, too much authority from State and local governments, and too much liberty with our Constitution.

We must preserve those first principles that made America strong and will keep her free. That doesn't mean turning back the clock, retreating from government's responsibility to help those who can't help themselves. We're meeting our commitment to the needy, even if that hasn't been the subject of a network documentary. [*Laughter*]

We devote one of the largest shares of the Federal budget in our history to assisting low-income Americans. The growth policies of low spending and taxes of the mid-sixties were much better friends to the poor than the big government madness that followed and which created so much misery.

Speaking of misery, that cruelest tax of all, inflation, with all the suffering that it brings to the poor and the elderly, is being controlled. Last month, as you know, the Consumer Price Index fell three-tenths of 1 percent, the first time in almost 17 years. For half a year, now, it's been averaging around 3.2 percent. If inflation had kept running at the double-digit rate it was in 1980 and January of 1981, a family of four on a fixed income of $15,000 would be over $1,000 poorer in purchasing power than they are today.

We're the most generous people on Earth. I don't think any of us lack compassion for the needy. But isn't it time that we also had compassion for those unsung heroes who work and pay their bills while they struggle to make ends meet? They're the heart and soul of the free enterprise system. They need some help, too.

Winston Churchill said that some see private enterprise as a predatory target to be shot, others as a cow to be milked, but few see it as the sturdy horse pulling the wagon. Well, this administration believes the workers, savers, investors, and entrepreneurs of America have been milked and shot at long enough.

With your help, we're ending a long night of government blundering and making an historic new beginning. Yes, we are in a painful recession. The unemployed are living a tragedy. I want nothing more than to see them working again, and I'm convinced the course we've embarked on offers the best hope. I certainly won't accept the idea that a program which began after the recession was already underway is somehow responsible for that recession.

I hope we can reach a fair and bipartisan budget compromise. And I'll go an extra mile to reach an understanding with Members of the Congress on both sides of the aisle, as long as there is a commitment to three essential priorities as maintained: continued rebuilding of our national defense; continued commitment to tax incentives; and a long-term effort to reduce the Federal Government's share of the gross national product. This means getting this budget under control once and for all.

Those who are participating in the budget discussions will be meeting again early this week. I hope they'll continue to put aside partisan advantage and strive for what is necessary and what is right. A fair and bipartisan budget package, agreed to by Speaker O'Neill, Majority Leader Baker and I, will help speed our economic recovery. And I think we should get on with it.

Now, if there are those who shun reasonable compromise, I must speak plainly: We cannot go back to the glory days of big, never-mind-the-cost government. The best view of that kind of government is in rearview mirror as we leave it behin [*Laughter*]

And we can no longer listen to those wh say "If it's commerce, regulate it; if it income, tax it; if it's a budget, bust it Given their way, they'd make everythi that isn't prohibited, compulsory. [*Laug ter*] A better rule is, "If it ain't broke, do fix it." [*Laughter*]

Our task is to restrain spending, crea incentives, provide hope, opportunities, a help our economy grow again. Our loyal will always be to little taxpayers and nev to big tax spenders.

Our administration promised a progra of tax incentives so industry could reto and families could save again for the future. We've kept that promise with th first decent tax reduction in nearly years.

To those who say our tax cut will signi cantly increase projected deficits, let m point out: Our tax cut first has to offset th tax increases already built into the syste including the social security tax increase the largest single tax increase in our histo Americans now shoulder the highest t burden in peacetime history, and there a a couple more increases in that soci security payroll tax yet to be applied.

If higher taxes are the key to reduci deficits, why did a $300 billion tax increa between 1976 and 1981 leave us with $3 billion in deficits? I think you know wh We didn't pile up a trillion dollar debt b cause we're not taxed enough, we have th debt because government spends too muc

And what specifics can be given to su port the repeated charge that our tax c favors the wealthy? Seventy-four percent the tax savings goes to the lower a middle-class who presently pay 72 perce of the tax. May I just say, in the quest f economic literacy, high tax rates don't so the rich, they only create more tax shelte or an outright capital drain. Reducing hi tax rates provides incentives to get mo people paying taxes again. Just as impo tant, we preserve one of the few syste left on Earth where people at the bottom the ladder can still get rich. That's wh America should be all about. From now o more of what people earn belongs to them.

Now, it's true that our program, just 6 months old, has not solved all the economic problems we inherited. As Don Kendall pointed out, our administration did not have the luxury of starting out with about 6-percent interest rates, such as we had back in 1977. We were left with interest rates of 21½ percent, the highest in more than a century. And inflation in '77 was only about half what it was running in January of '81.

It's a bit ironic to hear those who insisted the tax program be administered in drops now saying the medicine didn't work. Well, the medicine will work when the patient finally begins to get it. The first real dose begins with that 10-percent tax cut in July and the additional 10-percent cut in July of 1983.

Now, some in the media have been telling us here in the trenches that the business community questions the wisdom of our program. I'm sure you can understand how hard this is on our morale. [*Laughter*] Since the Chamber represents a great cross section of the business community, I wondered if I might ask you a few questions?

Number one, Federal spending tripled in the last decade alone and shot up by 17 percent in 1980. Would you agree that by trying to hold down runaway spending, by trying to control those so-called budget items we've been told are uncontrollable, that we are doing the right thing and should stick with it? [*Applause*] Thank you.

Now, taxes on the people doubled between '76 and '81 and would have increased another $300 billion between '81 and '84 without our program. By trying to help families keep their heads above water, refusing to tax them like millionaires, are we doing the right thing and should we stick with it? [*Applause*]

Now, our program began, as I said, after the recession was underway. Now with growth in spending cut nearly in half, regulation growth cut by a third, inflation down by almost two-thirds, the prime rate down 5 percentage points—still too high, but headed lower—and strong new incentives to save just beginning, are we on the right road to a lasting recovery and should we stick with it? [*Applause*]

Well, we get an A plus. [*Laughter*]

And I just have one more question. Will you mobilize your 240,000 members and tell the Congress what you just told me? [*Applause*] The Sun just came out. [*Laughter*]

Every time personal tax rates go higher, it becomes more difficult for firms to compete in world markets. It now costs $1.70 just to compensate a worker for each dollar increase in the cost of living. Instead of workers and management trying to solve this problem by opposing each other, why not join forces and help us get government off your backs so you can get on with the task of saving American jobs, rebuilding our economy, and raising the standard of living of all our people?

With your personal initiative, ingenuity, and industry and responsibility, we can make America work again. You know we can. But as we rebuild this blessed land, we'll need that extra dimension of faith, friendship, and brotherhood that makes us good neighbors, good people, and makes America a great country.

I believe standing up for America also means standing up for the God who has so blessed this land. We've strayed so far, it may be later than we think. There's a hunger in our land to see traditional values reflected in public policy again.

To those who cite the first amendment as reason for excluding God from more and more of our institutions and everyday life, may I just point out, the first amendment of the Constitution was not written to protect the people of this country from religious values—it was written to protect religious values from government tyranny.

One of America's greatest strengths is our tradition of neighbor caring for neighbor in times of trouble. We've launched a nationwide campaign to encourage citizens to join with us to determine where need exists and then organize community volunteer groups to meet those needs. A great challenge, and all the more reason to have as Chairman of our Task Force on Private Sector Initiatives, an individual we both know is an outstanding leader—Bill Verity, your own chairman a year ago.

Now, Bill and I aren't asking you to take over the social welfare system. We're just asking that you give generously of your time, your know-how, and your imagination to help Americans help themselves. Many of you already do. When we say Chamber of Commerce, what comes to mind?—community leadership in economic development, job creation, education, medical care and special assistance to the elderly, the disabled, and the blind. American business does care and is involved. Just keep doing what you do best, and ask more of those around you to pitch in and help.

A different kind of volunteer initiative is being taken by a group of banks in Ohio and by the First National Bank & Trust of Plainfield, Indiana. They recently lowered the interest rates on new car loans, which were between 16 and 18 percent, to between 12¾ and 13 percent, and committed between them millions of dollars to these programs. In the first few weeks, the sale of new cars increased to several times what had been the monthly average. The bankers involved said, "The financial sector has to pitch in and help," so we can get the economy moving again.

Your 70th annual meeting is living proof that democracy and freedom are alive and well in America. But as you know, America is more the exception than the rule around the globe. Now, some in this country say, "Well, freedom is fine for us, but we can't worry about it for everyone else." Well, freedom wasn't won here without the help of others. [Wherever freedom is lost,][1] it's diminished everywhere, and freedom is never more than one generation away from extinction.

Francis Bacon wrote, ". . . In this theater of man's life it is reserved only for gods and angels to be lookers on." America cannot afford to drift through the 1980's as a spectator. We're deeply committed to seeking peaceful resolution of conflicts in the world. World peace and our own interests continue to be threatened by regional conflicts.

Two such conflicts are now dramatically in the news. Yesterday we witnessed the culmination of Israel's historic withdrawal from the Sinai Peninsula. In a region beset by doubt, the Israeli withdrawal is an expression of the faith in a more peaceful future and a triumph for peaceful diplomacy with few historic parallels.

The vision of Israel and Egypt sets an example for all nations to follow. My administration will continue to pursue peace within the Camp David framework, through renewed efforts to complete an agreement on autonomy for the Palestinians of the West Bank and Gaza. That vital next step offers the best hope for maintaining the momentum of the peace process, a process that can lead to a triumph of shared humanity over age-old hatred.

Over the weekend, our attention has been focused also on the serious situation in the South Atlantic. While the situation is increasingly difficult and time is surely running out, we remain determined to do all we can to help Britain and Argentina resolve their differences without further conflict.

Working for peace is both a moral duty and a practical necessity. We should have no illusions. This task is immensely difficult, and we can no more solve the world's problems than we can isolate ourselves from them. But the search for peace is the surest way to preserve all that we cherish and avoid the nightmares that we fear.

Another very important way the United States can contribute to world peace is by helping stimulate international trade. The assistance of the United States Chamber and your international division in developing new markets, more exports, and encouraging lower trade barriers will continue to be invaluable.

It would be wonderful if we could secure peace through trade alone, but you and I know we can't. We must restore the strength of our Armed Forces which have been neglected for too long. The Soviet Union has deployed a military arsenal unequalled in all history. The American people will no longer tolerate a mere facade of security. They expect our planes to fly, our ships to sail, and our helicopters to stay aloft. There will be no retreat in the commitment of this administration to make sure that they do.

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[1] *Editorial insert per the advance text of the President's remarks.*

But again, let me say, this we must do as a part of our effort to preserve the peace.

How much would we have spent to avoid World War II? Can we put a price on the lives lost on Guadalcanal, on Tarawa, Omaha Beach, Anzio, or Bastogne? Every penny we spend on defense is for one sacred purpose: to keep young Americans from having to shed their blood in a war that could have been prevented.

While we rebuild our deteriorated national defense, we're also working for essential reduction of the weapons of mass destruction. A freeze in the arsenals of these weapons is not good enough. We must have mutual and verifiable reductions, and this we shall strive for.

Now, having said this, let me point out we're striving just as hard in the defense program to find savings and eliminate unnecessary spending as we are in every other department of government. We believe such savings can be made without retreating from our effort to redress the imbalance that exists today.

I'm also willing to look at additional revenue sources, so long as they are not inconsistent with the tax incentive measures for individuals and business that were adopted last year. And if there are alternative budget reductions to those we proposed in the '83 budget, I'd like to hear them. The all-important thing is for all of us here in Washington to come to an agreement on how we're going to proceed toward a balanced budget, and then to stand together with no partisan difference dividing us and say, "Here is the bipartisan solution we offer to our economic problems."

Once this is done, we can proceed to a balanced budget and then begin the reduction of our national debt. Burning that mortgage is going to be the biggest fire since the burning of Rome. [*Laughter*]

This nation has no mission of mediocrity. We were never meant to be second-best. The spirit that built our country was bold, not timid. It was a spirit of pride, confidence, and courage that we could do anything. Well, we still can.

I don't believe for one minute that America's best days are behind her. I don't believe any of you doubt that with the right tools and incentives to do the job, American workers can and will be every bit as skilled, dedicated, and productive as are our German and Japanese counterparts. America's greatest moments have always come when we dared to be great, when we believed in ourselves and reached out to each other to do the impossible.

We have come so far, done so much, and all in so short a time, let's not turn back now.

In his poem, "Columbus," James Russell Lowell wrote of that momentous voyage across the Atlantic. The crew had been told again and again they would soon see land on the horizon. They saw only water. They were tired, hungry, lonely, desperate, and ready to mutiny. But as Lowell wrote, ". . . Endurance is the crowning quality, and patience all the passion of great hearts . . . one day, with life and heart, is more than enough to find a world."

With your courage, your help, we can endure, we can prevail. We can find that world and bequeath peace and prosperity to our children and their children. And I know we will.

Thank you for this wonderful morning, and God bless you all.

Note: The President spoke at 10:42 a.m. at Constitution Hall.

Nomination of John N. McMahon To Be Deputy Director of the Central Intelligence Agency

April 26, 1982

The President today announced his intention to nominate John N. McMahon as Deputy Director of Central Intelligence. He would succeed Admiral B. R. Inman.

Mr. McMahon was graduated from Holy Cross College in 1951. In September 1951 he joined the Central Intelligence Agency and was assigned overseas in 1952. In 1959 Mr. McMahon was assigned to the U–2 program and in 1965 was appointed Deputy Director of the Office of Special Projects. He was responsible for reconnaissance, research, development, and operations. In 1971 he was named Director, Office of Electronic Intelligence. In 1973 he was appointed Director of the Office of Technical Services. In 1974 Mr. McMahon was appointed Associate Deputy Director of the Directorate for Administration and in 1976 was named Associate Deputy to the Director of Central Intelligence for the Intelligence Community. He assumed the position of the Acting Deputy to the Director of Central Intelligence for the Intelligence Community in 1977. He was appointed Deputy Director for Operations in 1978 and served in that capacity until April 1981, when he was named Deputy Director for National Foreign Assessment. On January 4, 1982, Mr. McMahon was appointed Executive Director of the Central Intelligence Agency.

Mr. McMahon holds two distinguished intelligence medals, the Intelligence Medal of Merit and the Certificate of Distinction, awarded by the Central Intelligence Agency. For his service with the Intelligence Community staff, he was awarded the Intelligence Distinguished Service Medal.

Mr. McMahon was born July 3, 1929, in East Norwalk, Conn. He is married and has four children ranging in age from 17 to 28.

Nomination of Two Members of the Panama Canal Commission
April 26, 1982

The President today announced his intention to nominate the following individuals to be members of the Panama Canal Commission.

Andrew E. Gibson would succeed John W. Clark. He is currently president of Delta Steamship Lines, Inc. He was Assistant Secretary of Commerce for Domestic and International Business in 1969–1972. He graduated from Brown University (B.A., 1951) and New York University (M.B.A, 1959). He is married, has four children, and resides in Short Hills, N.J. He was born February 19, 1922.

William W. Watkin, Jr., would succeed Clifford Bradley O'Hara. He is retired executive director, Delaware River Port Authority of New Jersey and Pennsylvania. He was brigadier general, U.S. Army Corps of Engineers, in 1968–1972 and Deputy Chief of Staff for Economic Affairs on the staff of Gen. Creighton Abrams in Vietnam in 1970–1972. He is married, has four children, and resides in Medford Lakes, N.J. He was born October 27, 1919.

In addition, William Sidell, a current member of the Board, has agreed to continue to serve as a member of the Board.

Nomination of Dortch Oldham To Be United States Commissioner General for Energy-Expo 82
April 26, 1982

The President today announced his intention to nominate Dortch Oldham to be Commissioner General of the United States Government for Energy-Expo 82. He would succeed Charles E. Fraser.

He is currently serving as director of Nasco, Inc., a company he founded in 1960. He has been serving as director of Forrest Life and Successor Synercon Corp. since 1965. He has been director, executive committee, trust and investment committee, First American Bank, since 1969. He has also been serving as director, executive committee, First American Corp., since 1972. He was a member of the U.S. Advisory Commission on International Educational and Cultural Affairs in 1976–1978. He was president, chairman of the board, and chief executive officer of the Southwestern Co. in 1960–1972.

He graduated from the University of Richmond (1941; Doctorate of Laws, 1974). He is married and has five children. He resides in Nashville, Tenn., and was born August 26, 1919.

Proclamation 4935—National Year of Disabled Persons

April 26, 1982

By the President of the United States of America

A Proclamation

The 1981 International Year of Disabled Persons, a celebration of the achievements and strengths of disabled persons the world over, has now concluded. In that Year, we were made aware of the many accomplishments of disabled people, and we rejoiced at the number of lives that were made richer and more productive through education, rehabilitation, and employment.

The impetus gained during this celebration must not be lost. We must seize the opportunities afforded by the International Year of Disabled Persons to increase our national awareness of what remains to be done in order to assure all disabled Americans full and active participation in our society.

I call upon my fellow citizens in both the public and private sectors to join in mutual efforts to pursue the long-term goals set forth during 1981.

Now, Therefore, in keeping with the aims of Senate Joint Resolution 134, and in order to continue the momentum developed in the International Year of Disabled Persons, *I, Ronald Reagan,* President of the United States of America, do hereby proclaim the year 1982 as the "National Year of Disabled Persons."

In Witness Whereof, I have hereunto set my hand this 26th. day of April, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 10:14 a.m., April 27, 1982*]

Remarks on Private Sector Initiatives at a White House Briefing for National Service Organization Leaders

April 27, 1982

Thank you very much. [*Applause*] Thank you—please. Look, you're volunteering. That's enough. [*Laughter*]

Well, welcome to the White House. I can't think of a group more representative of good citizenship than this gathering today. So, when I say, "Welcome," it's more than a greeting; it's also an expression of thanks for all the many things that you and your organizations are doing to better this country and improve the lot of those in need.

A hundred and fifty years ago, as a young French nobleman, Alexis de Tocqueville traveled throughout our new country chronicling the observations in his now well known book, "Democracy in America." The American way of life captured his imagination, especially the vitality with which our forefathers went about solving problems.

He wrote, "Wherever at the head of some new undertaking, you see the government in France or a man of rank in England, in the United States you will be sure to find an association." He said, "The people wield immense influence over their magistrates and often carry their desires into execution without intermediaries." He's believed to have said at one time, commenting on this very thing, that good deeds in America start with somebody seeing a problem, and then he crosses the street and talks to a neighbor and they talk. And pretty soon a committee's formed, and the next thing you know the problem is solved. And, as he is supposed to have said—and you won't believe this—but no bureaucrat ever got involved in it. [*Laughter*]

Well, it was this spirit of direct action, of unbridled optimism, of compassion and freedom that made America great and unique among the nations. It's a tradition that you represent and a spirit that, with God's help, we can build upon.

There are, of course, some who believe the vigor observed by de Tocqueville is fading. Well, now, don't you believe it. We're witnessing a rebirth of concern and involvement that historians may describe as a reawakening of the American spirit. For the first time in decades, people are starting to realize they have an important role to play and that they can make a difference. This is the purpose of our Task Force on Private Sector Initiatives, established last December.

Bill Verity, Chairman of the Task Force, is here with us today. And, Bill, I have just left a meeting of the Associated Builders and Contractors—their leadership, at least, who came to see me in the Oval Office, and—you might be interested to know that this is an association of the small, the independent contractors, 17,000 of them nationwide—and they have just voluntarily voted to increase their dues 30 percent, because they now have a program in which they're training and educating and teaching people who want to learn how to become builders and contractors and craftsmen and so forth in that business.

I'd like to clear up one point, speaking about this Task Force. By encouraging private actions we are not inferring that government's role should be eliminated. On the contrary, the budget we've proposed for Health and Human Services for 1983 is increasing 8 percent or $20 billion over 1982. And that budget, for just that one agency in our country, will total over $274.2 billion, which is $53 billion bigger than the defense budget and is larger than the entire budget of any country in the world except the United States itself and the Soviet Union. And while some programs have been reduced, in general what are described as budget cuts are simply efforts to slow down the runaway growth in spending.

When I entered office, getting control of spending was an absolute necessity. We were on the edge of an economic abyss. Everyone would be worse off today if we had permitted inflation to keep going at the rate it was before the 1980 election. At that rate a family of four on a fixed income of $15,000 would today be over $1,000 poorer in purchasing power. Putting America's economic house in order meant changing attitudes, particularly the dangerous tendency to turn to government to solve every problem.

After being told for decades that government is the answer, some people's reluctance to try a different approach is understandable. What if, for example, the Boy Scouts of America were a government program instead of a voluntary activity? Well, someone's worked out what the answer to that would be. It's been estimated that just doing what the Boy Scouts are doing now, in the way they're doing it, if run by the government, would cost about $5½ billion a year. And yet as an efficient, nongovernment activity, scouting costs a total of only $187 million a year.

Because it's based on volunteer effort rather than paid bureaucracy, it is amazingly more efficient. But beyond the financial savings, everyone involved—scouts, scout leaders, parents—everyone is having a more meaningful experience because of the time and resources voluntarily contributed to scouting.

The many accomplishments of your organizations represented here today prove to me that there is an enormous potential ready to be tapped. And that's the reason you've been invited here today. The tapping is about to begin. [*Laughter*] I need your help to activate those on the sidelines and to encourage those already involved to keep going.

The Jaycees, a group that's always close to my heart, have responded to the call for direct involvement with all of the enthusiasm and gusto for which their organization is famous. The Jaycees national leadership has committed the full resources of their 7,000 local clubs and 280,000 members toward a bold effort to establish a public foundation on voluntarism in every community where a Jaycees club exists. The potential value of this project alone is enormous. And Bill Verity tells me that you'll be hearing more about it shortly, so I won't take any more of your material, Bill.

It was recently estimated that the value of just the annual time volunteered by Americans is $64½ billion worth. Whether it's a grandmother volunteering at the church day care center or a member of the Kiwanis Club at the charity car wash, much is being accomplished, and we think it should be encouraged. And that's why we established the President's Volunteer Action Award and brought this year's recipients to the White House. Eighteen individuals and organizations received recognition for doing some wonderful things to make our country a better place to live in, everything from helping victims of cancer to just counselling the troubled.

One program receiving the award is known as "Christmas in April." When April comes to Washington we think of the cherry blossoms. In Midland, Texas, they think of helping the elderly and handicapped people fix up their homes. Since 1973, thousands of volunteers working through the "Christmas in April" program have repaired the dwellings of Midland's less fortunate, disabled, and elderly.

Now, I realize that I may be preaching to the choir here, but there are too many people who don't know about the many wonderful things that your organizations are doing. As a matter of fact, that's proven by the mail that I get. I get letters from people telling me, now inspired by the recession and the need to get our budget under control, writing in and saying, "Can't we do something to make it possible for people like ourselves who want to, to volunteer and be of help?" In other words, they just haven't found out about all the things that you're doing. So, that's a lot of what Bill's task force is also doing. Getting the word out is the reason that it was created.

The list goes on and on, especially for programs aimed at America's young people, such as the work done by black fraternal organizations in providing tutoring for ghetto young people—offering them a chance for a better future. And then there are the many programs sponsored by service clubs to combat drug abuse.

I wish all those who claim our greatest days are past could grasp the energy and vitality in grassroots America today. Henry Luce, the founder of Time magazine, saw this. He spent a lifetime watching and recording it. And his reflection in 1962 was not so different from that of de Tocqueville. He said, "We're the country of the endless frontier," he wrote, "of the big sky, of manifest destiny, of unlimited resources, of 'go west, young man,' of opportunity for all, of rags to riches, mass production, 'nothing to fear but fear itself,' technical know-how, 'a chicken in every pot,' gung ho and can do." Well, it may sound a little corny but Henry Luce was absolutely right. This is the stuff that put the first man on the Moon and sent the space shuttle *Columbia* into orbit and brought her home again.

When I was inaugurated, I said that our people have a potential for greatness, and they've proven it when it counted. Today I need your help to encourage them to put that potential to work directly on some problems that we've let sit too long. After you leave today, I'm asking you for a renewed commitment. Talk to your boards of directors, your members. Identify, take on a new project and a private sector initiative, and put the full resources of your organization behind it. Talk it up at your annual conventions this year. Let others know about what you're accomplishing.

What we're trying to build in this country is a new bond between the public and the private sectors. Bill Verity calls this "a new coalition, a community partnership," and I'm sure you'll be hearing more from him about how much can be accomplished.

I don't—this thing that I'm just going to say to you might sound now as if I'm being militant or something, and I'm not. I happen to believe that the foreign policy of this country must have one goal and one only, and that is world peace. And I want to do everything I can to bring about a reduction in armaments worldwide, to bring that dream closer. I say that because I'm going to use an example about one of the men in our military.

I also believed back when we still had the draft that we would be better off if we used that same American volunteer spirit for our military. And I'm proud and happy to say today that the enlistments are up and, oh, sure people can say, "Well, that's because of the recession." Well, the recession couldn't be responsible for the esprit de corps, for the morale of those young men and women that are in our armed forces—their pride, again, in their country.

And I got a letter from an Ambassador of ours, in Luxembourg. He had been up on the East German border where our Second Armored Cavalry regiment happens to be stationed. And he wrote to tell me that he praised them and what he found there and the fine spirit. But, he said, as he started to leave, one young 19-year-old lad followed him over to the helicopter. And the lad wanted to know if the Ambassador ever had an opportunity to get a message to me. And he—since he happens, an Ambassador, to be the President's representative, he said, yeah, he thought he could do that. And the kid said, "Well, will you tell him for us that we're proud to be here and we ain't scared of nothing?" [*Laughter*] I kind of like that.

But I just think that together we can and will do things. After all, we're Americans.

Thank you very much.

Note: The President spoke at 1:38 p.m. in the State Dining Room at the White House.

Proclamation 4936—Jewish Heritage Week

April 27, 1982

By the President of the United States of America

A Proclamation

The freedoms we enjoy as Americans have evolved in great measure from the richness and strength of our Judeo-Christian heritage. The diverse cultural and religious traditions which our forefathers brought to America's shores are deeply embedded in our democratic values and ideals.

American Jewry has made significant and lasting contributions to every facet of American life and has brought dignity and distinction to every field of American endeavor. Our Jewish citizens have contributed greatly to our economic and moral growth as a Nation and have fought bravely throughout the world in defense of our freedoms.

This Spring, as in the past, American Jewry remembers its struggles, celebrates its achievements, and renews its dedication to the challenges that remain. From the observance of Passover, which recalls that historic passage from bondage to freedom and rekindles the hope for all who are oppressed, through the remembrance of the Warsaw Ghetto uprising and the memorial commemorating the victims and survivors of the Holocaust, Jews all over the world pay tribute to their past and give hope to the future. It is the time of celebration of Israel's Independence Day, Jerusalem Day, and Solidarity Day for Soviet Jews. It is a period when Jewish people in the United States renew their common heritage with Jews throughout the world and with all people of goodwill.

In recognition of the significance of this time of year to American Jewry, in tribute to the significant contributions made by the Jewish community to our society, and in appreciation and understanding of the cultural diversity of the American people, the Congress of the United States, by joint resolution, has requested the President to proclaim April 25 through May 2, 1982, as Jewish Heritage Week.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim the week beginning April 25, 1982, as Jewish Heritage Week.

I call upon the people of the United States, Federal and local government officials, and interested organizations to observe that week with appropriate ceremonies, activities, and reflection.

In Witness Whereof, I have hereunto set my hand this 27th. day of April, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 4:34 p.m., April 27, 1982]

Proclamation 4937—Father's Day, 1982

April 27, 1982

By the President of the United States of America

A Proclamation

Each year this Nation sets aside a day on which to honor fathers for all that they do for the well-being of their children and families.

Fathers are family founders. As traditional breadwinners, protectors of wives and children and models for character development and behavior, they contribute to the Nation's strength.

Now that many wives and mothers are enlarging their family responsibilities by working outside their homes, fathers are also adding to their family roles by assisting with child care and household tasks. Fathers thus help provide the continuity and stability that ensure the quality of family life. Children are the particular beneficiaries of their extra effort, for children need the love and attention of both parents.

It is good for us to take this day to express our gratitude to fathers for their love, support and guidance and for the many other contributions they make to our lives.

Now, Therefore, I, Ronald Reagan, President of the United States of America, in accordance with the joint resolution of the Congress (36 U.S.C. 142a), do hereby proclaim Sunday, June 20, 1982, as Father's Day. I invite the States and communities and the people of the United States to observe that day with appropriate ceremonies and urge the people to offer public and private expressions of the day to the abiding love and gratitude which they bear for their fathers. I direct government officials to display the flag of the United States on all Federal Government buildings, and I urge all citizens to display the flag at their homes and other suitable places on that day.

In Witness Whereof, I have hereunto set my hand this 27th day of April, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 4:35 p.m., April 27, 1982]

Executive Order 12361—Multinational Force and Observers Reports

April 27, 1982

By the authority vested in me as President of the United States of America by the Multinational Force and Observers Participation Resolution (Public Law 97–132, 95 Stat. 1693) and Section 301 of Title 3 of the United States Code, it is hereby ordered as follows:

Section 1. Delegation of Functions. The reporting function conferred upon the President by Section 6 of the Multinational Force and Observers Participation Resolution (22 U.S.C. 3425) is delegated to the Secretary of State.

Sec. 2. Interagency Coordination. In the exercise of the function conferred on the Secretary of State by Section 1 of this Order, the Secretary of State shall consult with the Director of the Office of Management and Budget, the Secretary of Defense, the Director of the United States Arms Control and Disarmament Agency, the Assistant to the President for National Security Affairs, and the heads of other Executive agencies as appropriate.

RONALD REAGAN

The White House,
April 27, 1982.

[*Filed with the Office of the Federal Register, 4:36 p.m., April 27, 1982*]

Remarks on the Caribbean Basin Initiative at a White House Briefing for Chief Executive Officers of United States Corporations

April 28, 1982

Well, anyone still drinking coffee and doing things like that, go right ahead. And welcome to the White House.

I can't tell you how much I appreciate—I know how busy your lives all are and that you're willing to come here and spend this time with us. But I think the subject is an important one, one that can help to shape the history of our hemisphere in a positive way for many generations to come. The magic of the marketplace, as all of us know, has made the United States the economic wonder of the world. And I'm convinced it can be used to bring a freer, more abundant life to our neighbors in the Caribbean Basin region.

Now, I know that you'll be meeting this afternoon with Al Haig and Don Regan, Bill Brock, Peter McPherson, and other senior administrative officials, so I will try not to steal any of their lines, use any of their material. But I can't stress enough how strongly I feel the potential for good, for human betterment, and for our own national interest is tied to what we've called the Caribbean Initiative.

More than 2 years ago, when I announced my candidacy for President, I spoke of an ambition to bring about an accord with our two neighbors of the North American continent. And I used the word "accord" deliberately. I wasn't thinking of any rigid, new arrangement, but rather of strengthening and renewing the natural ties that unite the freedom-loving peoples of the Americas. And this past February I carried this concept a step farther in announcing our Caribbean Basin Initiative, a comprehensive program to enhance security and cooperation with our Caribbean neighbors.

I realize that some of our citizens may have been a little skeptical at first—why us? and why now, with all our troubles? and why the Caribbean Basin? Well, the answer, it seems to me, is as clear as it is urgent. Our neighbors in the region, some two dozen countries of the Caribbean and Central America, are not unfamiliar names from some isolated corner of the world far from home. The country of El Salvador is closer to Texas than Texas is to Massachusetts. I mean that geographically, not necessarily ideologically. [*Laughter*]

The Caribbean region is a vital strategic and commercial artery for the United States. It's literally our third border. Almost half of our trade—our import and export trade and two-thirds of our imported oil—over half of our strategic materials pass through the Panama Canal or the Gulf of Mexico. It's in our own vital interest to help our Caribbean friends to protect themselves from hostile, foreign-inspired forces that would impose an alien ideology through the use of violence and terrorism. One of those islands has already been influenced and pretty much guided by Cuba, and lately the reports that we get are of military buildup beginning on that island. It certainly can't be for defense against its neighbors.

Elements of our assistance program address this problem, I think, and they are crucial to the success of our broader hopes for peaceful economic development. But security assistance alone is only part of the picture. To me the most exciting and promising aspect of the Initiative is our economic program, a program that can plant the seeds of prosperity, freedom, and stability for the average citizens of the region by fostering the free flow of goods, ideas, and technology in a free-market setting.

Just to give you an idea of the difficulties they face, in 1977 1 barrel of oil was worth 5 pounds of coffee or 155 pounds of sugar. To buy that same barrel of oil now these small countries must provide five times as much coffee or more than twice as much sugar. This is consuming their money reserves and credit, forcing thousands of people to leave for other countries—and a great many of them leave illegally for the United States. It's shaking even the most established democracies down there, and as always happens, economic disaster has provided fresh openings for the foes of freedom, national independence, and peaceful development. So, the economic threat to the region is also a political and a human one.

Now, last year I went to the Cancún summit of developed and developing countries and offered a fresh view of the development process. I recall that I was advertised in advance very widely throughout the country as going down where I would be burned in effigy—if not actually in person—and it didn't turn out that way. For the past 15 years the world has been led to believe that the road to development is paved with massive aid transfers and centralized international institutions. Well, the historical record shows that those countries that have succeeded have used chiefly their own resources and pursued policies which emphasize trade, investment, and the role of the private sector. And that is what I talked about at Cancún—the idea of our willingness to help them get on their feet and have the kind of economies that could provide jobs and a good living for their people and that they wouldn't have to become boat people, trying to find someplace where they could live.

Now, in consultation with other governments of the Americas and with leaders of the Basin region, we have come up with a balanced package of trade, investment, and foreign assistance, offering practical examples of the view that I presented there at Cancún. If our program works—and our own experience suggests that it can—the Caribbean Basin Initiative can change the course of development around the world. It can usher in a new era of more free-market policy in many countries which, since their recent independence, have often marched to a different drummer.

Your role—the private sector role—is critical. From the very outset we've stressed that to work, our initiatives aid package must be complemented by trade and investment to help the peoples of the Caribbean Basin region earn their own way to self-sustaining growth. Our aid will encourage private sector activities instead of displacing them.

The heart of the program is free trade for Caribbean Basin products exported to the United States. Currently some 87 percent of these exports already enter U.S. markets duty free, many under the Generalized System of Preferences. But these exports only cover a limited range of existing products, not the rich variety of potential products these talented and industrious people are capable of producing under the free-trade arrangement that we've proposed.

Under our program, exports from the area will receive duty-free treatment for 12 years. Now, thus, new investors will be able to enter the market knowing that their products will receive duty-free treatment for at least the payoff lifetime of their investments. The only exception to the free-trade concept will be textiles and apparel and sugar. In these cases, our immediate neighbors will receive quotas as liberal as are consistent with our domestic and international obligations under law.

The impact of this free-trade approach will develop slowly. The economies we seek to help are small. Even as they grow, all the protections now available to U.S. industry, agriculture, and labor against disruptive imports will remain. And growth in the Caribbean will benefit everyone with American exports finding new markets.

The tax incentives we're asking the Congress to provide will further encourage investment in the Caribbean Basin. We're also prepared to negotiate bilateral investment treaties with individual Basin countries. And we're also asking for economic support funds to provide direct aid to these countries to help them overcome balance of payment problems and also to help those who cannot be really open to investment until there has been something done about their lack of infrastructure—power, sewage facilities, things of that kind.

Through your leadership and example, we can prove anew that economic freedom works and that it's still the best path to peace and prosperity. Government can't do it alone. You are indispensable.

What can you do specifically? Well, first, if I could, let me ask you to, if necessary, familiarize yourself with the various programs in AID, OPIC, the Department of Commerce, the Department of Labor, other Government agencies that support the Caribbean Basin Initiative.

Second, let me encourage you to make available to these agencies, should they request it, some of your highly qualified mid-career people who can bring a realistic perspective to these government programs. At AID, Peter McPherson is developing a new private enterprise bureau. That bureau needs investment specialists to advise on making our aid programs more helpful in creating the infrastructure that is needed to support private investment.

Third, reconsider the prospects for your companies to invest in the Caribbean. Take another look at this region in light of the commitment which this government and other governments of Mexico, Canada, Venezuela, and Colombia have undertaken to encourage private sector development in the Caribbean.

And fourth, let us have your comments and advice, as you move into this region, about what we could do better.

Fifth, help us to secure passage of the Caribbean Basin legislation now pending before the Congress. And I have a hunch that you know somewhat how to contact your Congressmen with that regard.

I'm confident that a sustained, working relationship can grow out of the meetings that you'll have here today. As I said in my radio speech last Saturday, this could be the start of something big.

Nearly a century ago, a great citizen of the Caribbean and the Americas, the Cuban poet and statesman José Martí, wrote that "Mankind is composed of two sorts of men: those who love and create, and those who hate and destroy." Our own history proves that the forces of freedom and economic vitality can unlock what is best in human nature. In this country, we've made freedom work. And with your help, our friends in the Caribbean Basin can do the same thing for themselves.

Let me just say a word if I could, now, about—if you're not familiar with them—about the people down there.

I recently made a trip down there. It was widely heralded as a vacation. I did take a day and a half off to go swimming and then found out, the second day I went swimming, that even the natives didn't go in when the water was that rough—that I shouldn't have gone in. [*Laughter*] But I made it back to shore. So, I was told by officials I met down there with—and Prime Ministers of half a dozen of the Caribbean nations—met with Prime Minister Seaga on Jamaica, and we spent the rest of our time on Barbados there with their very fine Prime Minister, and the others came there for the meetings that we held. I was told, by these officials, that I would find, there on those islands, that there was a great love for America. And, unlike some of the places where we've had to go and ignore the graffiti on the walls, it was true.

I never have felt such warmth on the part of just the rank-and-file citizenry. They went out of their way. They waited, sometimes hours, just for you to go by so they could yell, "We love you." And I am convinced—they're also—they haven't been spoiled by as much welfare as we have in our country.

I was talking to the Prime Minister in Barbados about how some of our people out in my own State who prefer surfboarding to working had worked out a system where unemployment insurance could be manipulated to make it possible for them to do that a great deal of the time. And the Prime Minister said, "Well, we have the kind of people—we have surfers and people that love the beach that way here too, but," he said, "they don't do it that way." He said, "For example, a German came here and brought the first surfboard that any of them had ever seen. And," he said, "within 2 weeks, he had partners, and they were in the business of making surfboards." And it was these so-called beach bums—[*laughter*]—that had joined with him. So, I think that there is a great prospect, but I also think that it's very necessary.

There has evidently been a news story, which I haven't seen but which I've heard about, critical of this—critical also of the program for Jamaica. And I'm going back and read that story, because I think it's time for a statement to be made and I want to make that statement. I conceived the idea of doing something for Jamaica when Seaga won the election and took that country back from Communist rule. But already under that Communist rule the economy had been virtually destroyed and devastated.

And I turned to the private sector and asked—and asked David Rockefeller to be chairman of a group—if they would, as a task force, go and see how we could use private enterprise to help restore the economy and make sure that this course that had been set out by Prime Minister Seaga would work. And this they did. And already, the results—not completely home-free—but the results have been amazing.

A once great resort area which had dropped to 40-percent occupancy of its resort hotels saw in this last season a hundred-percent occupancy. And it was from this that I conceived the idea of the Caribbean Initiative. And once having named that, we found that in addition to helping with the original task force—Canada, Venezuela, other countries—that Mexico, Canada, Venezuela, Colombia have all said they want to be a part of the Caribbean Initiative.

This was started by this administration with the idea that it is for the good and the welfare of the United States as well as for those neighbors of ours and for that strategic area.

I think all of us here are old enough to remember World War II when down in that area tankers and freighters—the Wolf Pack submarines in World War II were destroying them within sight of land, and it brought Winston Churchill to the lowest point in his feeling about whether we could be successful in World War II. And then we found an answer to the Wolf Pack submarines. Well, I think right now that the same national security interest is a part of what we're talking about here.

And therefore I'm going to do what the little girl in her letter to me said when she told me all the advice she could give me about what to do as President and then added a P.S. and said, "Now get back to the Oval Office and get to work." [*Laughter*] I'll do that, and Elizabeth Dole is going to come up here, and I know you have a program then that has been set for the afternoon.

But again, just a heartfelt thanks. God bless you for coming here and at least evidencing this for your willingness to do something in this regard.

Thanks very much.

Note: The President spoke at 12:50 p.m. in the State Dining Room at the White House.

Elizabeth H. Dole is Assistant to the President for Public Liaison.

Letter to the Speaker of the House and the President of the Senate on Nuclear Waste Legislation

April 28, 1982

Dear Mr. Speaker: (Dear Mr. President:)

The safe and efficient disposal of nuclear waste is an issue of profound concern to all Americans. I am pleased and encouraged by the reports of bipartisan Congressional activity regarding waste legislation.

I, and all my Administration, stand ready to work with you to proceed on a bipartisan and timely basis on this most important matter, so that the Federal Government can fulfill its responsibilities for safe and efficient disposal of nuclear waste.

I believe that we all agree that first and foremost in any consideration of this issue is the fundamental need to protect the health and safety of all our citizens. We must also mitigate possible harm to our environment. With these prerequisites in mind, I urge early legislative action so that we may clear the way for continued development of peaceful uses of nuclear energy.

On October 8, 1981, I announced several policy initiatives regarding nuclear energy. My Administration is currently working to implement these initiatives. Consistent with these initiatives, and in order to take advantage of the inherent efficiency in the private sector, (benefiting the electricity ratepayer in the long run), nuclear waste legislation should be adopted soon, containing the following elements:

(1) A system of user fees to fund the construction and operation of high-level nuclear waste storage and disposal facilities.

(2) An appropriate and effective method for State governments to participate in resolving site selection issues involved in the licensing and deployment of waste disposal facilities.

(3) A temporary storage facility, financed from user revenues, to relieve the near-term problem of exhaustion of spent fuel storage capacity at some operating plants. This facility should be subject to appropriate limitations on quantity of fuel and time of residence, perhaps 5–7 years, to ensure that it cannot be a substitute for longer term and permanent facilities.

(4) A federally owned and operated permanent repository for disposal of high-level radioactive waste to be available at the earliest practicable date. A federally owned and operated monitored retrievable storage (MRS) facility should be considered strongly for long-term storage in the interim period prior to operation of a permanent repository.

(5) Application to civilian-generated waste only, since military nuclear waste will be addressed separately.

To ensure efficiency and safety, nuclear waste legislation should require title transfer to the Federal Government, at a date certain, of vitrified high-level waste at the receiving facility. Alternatively, if vitrification facilities are not yet in operation, the Federal Government will take title to encapsulated spent fuel. This will fix responsibility and provide a firm basis for construction and operation of facilities for nuclear waste storage and disposal financed from user revenues.

These federal actions are consistent with our basic effort to encourage private sector reprocessing in order to provide access to significant remaining fuel value for future generations as well as significantly reduce the volume of high-level waste.

The American people desire the safe disposal of nuclear waste. The necessary technology is available and scientific and engineering expertise exists to accomplish this goal. Federal legislation is required to assure a safe, effective solution for the disposal of nuclear waste at the earliest practicable time. I urge early consideration by both Houses of Congress and prompt enactment of legislation that will allow us to move ahead and deal with this issue in a timely and responsible manner.

Sincerely,

RONALD REAGAN

Note: This is the text of identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and George Bush, President of the Senate.

Remarks of the President and Prime Minister Mohamed Mzali of Tunisia Following Their Meetings

April 29, 1982

The President. Prime Minister Mzali and I met at 11:30 today, and we have just lunched together. And I welcome this opportunity to meet the Prime Minister. His visit to Washington has initiated a personal exchange of views that I look forward to continuing.

I was particularly gratified by his visit because I didn't have the opportunity to meet with Tunisian President Habib Bourguiba when he visited the United States privately earlier this year. It's a special pleasure to meet with the leader of a country with which our relations have been and are characterized by continuing trust and friendship.

I'm proud that the United States has been able to play a role in the outstanding economic growth and development of Tunisia. And I have told the Prime Minister that he can count on us as Tunisia faces the external threats that have emerged in the past few years. He and I renewed our hope for an increased level of trade and commerce between our nations as a means of benefiting our peoples and sealing our friendship.

We exhanged views on the Middle East, and I reassured the Prime Minister of our determination to spare no exertion in seeking to bring a just and lasting peace to the Middle East.

I regret only the shortness of his visit. Mr. Prime Minister, you certainly are most welcome here in the United States.

The Prime Minister. I had the honor to be received this morning by President Reagan, to whom I brought the very friendly greetings of President Bourguiba and to whom I expressed our thanks for the efforts that the United States has made to contribute to the social and economic development of Tunisia.

The contribution of the United States began right at independence and has assumed different forms and has been carried out at different levels. I'm very happy and very satisfied to note that as a contribution to the success of our Sixth Plan, Tunisia can continue to count on the assistance of the United States.

I was happy to listen to the views of President Reagan on a number of issues effecting world peace and the situation in different regions of the world, especially the Middle East—the situation on the Iraqi-Iranian border and the situation in the Mediterranean. We exchanged information. We exchanged viewpoints. It was a very interesting meeting.

In conclusion, I should like to express my full gratification at the very warm and friendly welcome which was extended to myself and to my colleagues who traveled with me. We received a very warm welcome not only from President Reagan and members of his Cabinet and the senior officials of his government but also from Members of the Senate and the House of Representatives.

I hope very much that my visit will have strengthened the traditional bonds of friendship between our two countries and that it will be further strengthened by future contacts at all levels.

Thank you very much.

Note: The President spoke at 1:17 p.m. to *reporters assembled at the South Portico of the White House. Earlier, the President and the Prime Minister met in the Oval Office and attended a luncheon in the State Dining Room at the White House.*

Address to the Nation on the Fiscal Year 1983 Federal Budget

April 29, 1982

Good evening:

My fellow Americans, you know the most important goal that all of us share tonight is economic recovery—to see our factories reopening their gates, to see the unemployed return to their jobs, and every American enjoy the fruits of prosperity. To get our economy moving again, it's imperative that we enact a Federal budget that will bring down deficits and bring down interest rates.

I had hoped that when I addressed you tonight, it would be to give you the details of a bipartisan agreement on a budget and revenue plan for 1983. As you know, yesterday marked the end of a long series of discussions to help reach such an agreement. They ended, despite our best efforts to achieve a fair compromise. But before I discuss these talks and our plans for the future, let me give the background that led up to them.

In our budget proposal, we had continued the process we started last year of trying to get control of runaway government spending. Deficits over the last few decades have been literally built into the Federal structure. The rate of increase in spending was 17 percent when we took office. There's no way that government can pay for increases at that rate without gigantic tax increases each year or borrowing and adding to the national debt.

Now, this latter course has been followed for so many years that we now have a trillion-dollar debt. To give you some idea of how much a trillion is, if we started paying off the debt at a billion dollars a year, it would take a thousand years to wipe it out.

Now, if I may, let me take you back a little. In 1977, when the previous administration took office, inflation was 4.8 percent. It rose steadily, and in 1979 and '80 we had 2 years of back-to-back double-digit inflation. Unemployment started to increase, and by 1980 we were in a recession with nearly 8 million unemployed, inflation at 12.4 percent, and interest rates at 21½ percent. As those interest rates continued, home construction and automobiles were hard hit, because few could afford to take out a mortgage or buy a car on time. Unemployment continued to increase.

The 1981 budget was already in place when our administration began, and while we managed to effect several billions of dollars savings during the balance of the fiscal year, there was nothing we could do but set our sights on the 1982 budget, which would be our first. We had to reduce the built-in rate of increase. At the same time, we had to reduce the share of the people's earnings the government was taking in taxes.

Now, this may sound strange in view of the increased spending, and it was contrary to the philosophy of the Democratic leadership. But high taxes, destroying incentive, had contributed to reduced productivity and a reduction in savings, which left us without the capital we needed for industrial expansion. And because government always finds a need for whatever money it gets, the cost of government continued to go up.

Between 1976 and 1981, Federal tax revenues increased by $300 billion. Deficits ran $318 billion. There was no way we could get the rate of spending down to where it should be in one year. But our economic recovery program did manage to reduce the rate of increase in spending to nearly half of what it had been. We also proposed a 3-year program of tax rate reduction for individuals and for business. You helped us get both the reductions in spending and the tax reductions by letting your elected representatives know you wanted them.

During the debate on our economic program, we stated many times that there would have to be a second installment of budget reductions in 1983. That built-in, automatic spending increase I spoke of would otherwise give us a budget of $827 billion in '83, $918 billion in 1984, and more than a trillion in 1985.

What is our situation now, and how well have we done with our economic recovery program? Well, we're still in a recession, and unemployment has continued to go up, particularly in those areas affected by the troubles of the automobile and construction industries. Farmers, too, are hurt by the high interest rates. They borrow to plant and pay back at harvest, but that doesn't work when interest rates remain at too high a level. It is true, however, that those rates are down about a fifth from that high of 21½ percent. But they must come down some more, and they have every reason to, because that 12.4-percent inflation rate we inherited has been running at only 3.2 percent for the last 6 months. And last month, for the first time in 17 years, it dropped below zero. Prices actually went down.

Now, with all of this in mind, we introduced a budget for 1983 of $758 billion, lower than the built-in spending by a considerable amount. Still, it represented an increase over the '82 budget of 332—pardon me, $32 billion. Nevertheless, there were outraged screams of protest, and you were led to believe that we were actually proposing less spending than the present level. There's been an insistent drumbeat, aided by special-interest groups charging that our budget would deprive the needy, the handicapped, and the elderly of the necessities of life. I'm sure many of these people were sincere, well intentioned, but also misinformed.

Our original budget proposal would have funded 95 million meals a day for the needy, provided medical care for 47 million Americans, subsidized housing for about 10 million people. In addition, there would be 7 million loans and grants for college students, of which there are 11 million full-time. Social security, which was $122 billion in 1980, will be $188 billion in 1983.

But the drumbeat was too loud. Many in Congress criticized that budget and demanded that we send up a new one. Well, we worked many months with the Cabinet on the one we submitted and believed it could fulfill government's responsibility to those who, through no fault of their own, had to depend on their fellow citizens for help. Besides, I felt that some workable alternative to ours should have been suggested by our critics so we could begin arriving at a consensus.

As the talk grew of stalemate, I asked my Chief of Staff, Jim Baker, to contact the congressional leadership of both Houses and see if some means couldn't be agreed upon in which the matter could be discussed, with the idea of finding an area of agreement. A bipartisan arrangement was made whereby the Senate had five representatives, the House of Representatives had seven, and the administration had five.

This group, which began to be called the "Gang of 17," held its first meeting on April 1st, and its 13th and last the day before yesterday, April 27th. The rule they followed was that nothing was binding on Speaker O'Neill, Senate Majority Leader Howard Baker, or myself. They would simply see if they could find enough agreement that actual negotiations seemed possible and practical. I, in turn, had told our representatives the areas I felt were nonnegotiable. They were that any changes in defense spending must not interfere with or delay our rebuilding of national security, and that spending must be significantly reduced, and that our tax reductions, adopted last year, must be preserved.

I received regular progress reports and was greatly encouraged. The Gang of 17 worked long, hard hours and deliberated in good faith. What they were doing couldn't really be called negotiation. That would come later. Speaker O'Neill referred to it once as "dialoguery."

Well, the projected deficits for the next 3 years continued to increase as the lower inflation rate reduced estimated revenues. Continued unemployment, which costs government about $25 billion for every added one percentage point, took its toll. And the persistent high interest rates added to the cost of government borrowing.

While I don't believe in the accuracy of long-range projections, we're required to acknowledge them in our budgeting. They stand at $182 billion for 1983, $216 billion in '84, and $233 billion in 1985 if we do nothing about reducing spending. Not only must those deficits be reduced, they must show a decline over the next 3 years, not an increase. Our goal must be a balanced budget. And our budget would have set us on that road. But, apparently, there was no meeting of the minds.

There's no question but that a difference in philosophy exists. While the Democratic leadership lamented about the deficit facing us, committees in the House of Representatives, controlled by them, were recommending increases above and beyond our proposed budget of more than $50 billion in higher spending. Apparently the philosophical difference between us is that they want more and more spending and more and more taxes. I believe we should have less spending, less taxes, and more prosperity.

There hasn't been too much opportunity in the last 40 years to see what our philosophy can do. But we know what theirs can do: the longest sustained inflation in history, the highest interest rates in a hundred years, eight recessions since World War II, and a trillion-dollar debt.

The day before yesterday, Jim Baker told me the group had decided they could come no closer to agreement than they were, and there would be no more meetings. So I called Speaker O'Neill and suggested we meet to take up where the Gang of 17 had left off. That meeting took place for more than 3 hours yesterday.

The worksheets of the committee showed that on our side our nondefense spending cuts had been reduced to about 60 percent of what we had originally proposed. There were some areas such as estimated savings from improved management practices which had been accepted. On the Democratic side they'd expressed a willingness to accept some cuts which they thought were a concession on their part inasmuch as they hadn't wanted any budget reductions except in defense.

On revenues we had originally proposed about $13 billion for next year, most of which could be obtained through changes in tax regulations. Some regulations have been regulated or interpreted in such a way as to provide tax advantages which were never intended. The group was discussing a figure of $25 billion, which meant actually increasing some taxes or passing new ones. Now, that figure would not have required eliminating or reducing the tax cuts in our economic recovery program. Still the $25 billion figure was almost double our original proposal.

In yesterday afternoon's meeting on Capitol Hill, Speaker O'Neill, Senator Howard Baker, myself, and five of the Gang of 17 participated. As I say, the figures on which the group had found some agreement were far from those we'd proposed in February. But I decided against trying to start the negotiations on the basis of that original budget. The most essential thing is to send a message to the money market that we, Democrats and Republicans alike, can agree on reducing the deficit and continuing to hold down inflation. Actually the Gang of 17 had come very close in their deliberations, and I was encouraged to believe that we could arrive at a settlement.

Our original cuts totaled $101 billion. They—[*referring to a chart*]—I can't make a big enough mark to show you—but they were rejected, believe me. Our own representatives from the Congress proposed compromising at $60 billion. Their counterparts from the Democratic side of the aisle proposed 35. In our meeting yesterday, which went on for more than 3 hours, our compromise of $60 billion was rejected—now my pen is working. And then I swallowed hard and volunteered to split the difference between our 60 and their 35 and settle for 48, and that was rejected. The meeting was over.

Now on this chart the red line is where we go in the next 3 years with regard to deficits if there is no compromise. It'll reach a deficit of $233 billion in 1985 alone, and as you can see, the line is still going up. And so will interest rates. The blue line is where we go if we settle on a reasonable compromise—steadily down to a deficit by 1985 of only $44 billion. And you can see that a balanced budget is not far distant. And this blue line will, I'm convinced, start interest rates down from the moment there is agreement on the compromise.

It is essential that we have a prompt resolution of this budget debate. It is, of course, up to the Congress to act now. But I'll do everything I can to help in getting a prompt settlement. If American workers can show the statesmanship they've shown in redrawing their contracts to restrain their own wages to help in this time of recession, surely we in Washington can show some statesmanship, too.

I'm convinced we're in the trough, as it's called, of this recession and that we'll begin to see recovery in the second half of the year. There will be political pressure from some to turn on the printing presses and flood us with paper money. Well, that's been done before, and the answer is always the same—a flush feeling for about 5 minutes, then more inflation leading toward a plunge into an even worse recession.

There is another road that leads to permanent recovery. It begins with a responsible budget now. In the coming days, I will do everything I can to help the Congress achieve this vital goal. And you can help, too, by letting your representatives know that you think this is no time for "politics as usual;" that you, too, want an end to runaway taxes, spending, government debt, and high interest rates.

Tomorrow I will meet with Republican members of the Gang of 17 to forge the beginnings of an acceptable budget initiative. On Monday I will meet with the full Republican leadership and with members of the Senate and House Budget Committees. I will also consult with responsible members of the Democratic Party in the Congress to make this a truly bipartisan effort in the national interest.

But our efforts must not stop there. Once we've achieved a balanced budget—and we will—I want to ensure that we keep it for many long years after I've left office. And there's only one way to do that. So, tonight I am asking the Congress to pass as soon as possible a constitutional amendment to require balanced Federal budgets.

This amendment will, of course, have to be ratified by three-fourths of the States. But I'm confident that the grassroots support for a balanced budget amendment is out there and will carry the day against the special interests. Most Americans understand the need for a balanced budget, and most Americans have seen how difficult it is for the Congress to withstand the pressures for more spending. This amendment will force government to stay within the limit of its revenues. Government will have to do what each of us does with our own family budgets—spend no more than we can afford.

Only a constitutional amendment will do the job. We've tried the carrot, and it failed. With the stick of a balanced budget amendment, we can stop government squandering, overtaxing ways, and save our economy.

Time and again the American people—you—have worked wonders that have astounded the world. We've done it in war and peace, in good times and bad, because we're a people who care and who know how to pull together—family by family, community by community, coast to coast—to change things for the better. The success story of America is neighbor helping neighbor. So, tonight I ask for your help, your voice, at this turning point.

So often in history great causes have been won or lost at the last moment, because one side or the other lacked that last reserve of character and stamina, of faith and fortitude, to see the way through to success. Make your voice heard. Let your representatives know that you support the kind of fair, effective approach I have outlined for you tonight. Let them know you stand behind our recovery program. You did it once, you can do it again.

Thank you, and God bless you.

Note: The President spoke at 8 p.m. from the Oval Office at the White House. The address was broadcast live on nationwide radio and television.

Appointment of Roger B. Porter as a Member of the President's Commission on White House Fellowships

April 30, 1982

The President today announced his intention to appoint Roger B. Porter to be a member of the President's Commission on White House Fellowships.

Mr. Porter is Deputy Assistant to the President for Policy Development and Director of the White House Office of Policy Development. He also serves as Executive Secretary of the Cabinet Council on Economic Affairs and as Counselor to the Secretary of the Treasury. He was on the faculty of the School of Government at Harvard University from 1977 to 1981 and is currently on leave as associate professor of public policy. He is the author of "Presidential Decision Making" and several articles.

Mr. Porter was a White House Fellow from 1974 to 1975. He was appointed Special Assistant to the President and served as Executive Secretary of the President's Economic Policy Board from 1974 to 1977.

He was assistant dean and tutor in politics at the Queen's College, Oxford University, from 1971 to 1972. He served as associate director of the Utah Local Government Modernization Study in 1972 and has been actively involved in State constitutional revision efforts.

He was selected as one of the Ten Outstanding Young Men in America for 1981 by the United States Jaycees.

A native of Utah, Mr. Porter received his B.A. degree from Brigham Young University in 1969 and was selected as a Rhodes Scholar and as a Woodrow Wilson Fellow, receiving his bachelor of philosophy degree from Oxford University in 1971. He received his M.A. and Ph. D. degrees from Harvard University in 1978.

He is married to the former Ann Robinson, has two children, and resides in McLean, Va. He was born June 19, 1946.

Remarks and a Question-and-Answer Session on the Program for Economic Recovery With Editors and Broadcasters From Midwestern States

April 30, 1982

The President. Ladies, gentlemen, welcome to the White House. It's a pleasure to have you here.

You know, it has been told to me that when President Grant was in the White House that King Kalakaua of the Sandwich Islands dined here at the White House, and the President was amazed, because a whole entourage of the King stood behind him and inspected every morsel of food that he ate. That hasn't happened here since Tip O'Neill had lunch here recently. [*Laughter*]

I'm not going to take too much time with a monolog here, because I think it would be far better for all of us to get to a dialog. But I think you've probably had some briefings and I would just like to tell you of our pride in some of the things that have been accomplished, particularly in inflation—the fact that for 6 months it's been running at 3.2. It started at 12.4, and last month when, for the first time in 17 years, it actually dropped below zero, and we had a decline in the prices.

The savings, personal savings—and this is one of the reasons why inflation is so important and why our economic program is so important—with the deficits that continue to run, although we're determined that we are going to bring them to that point where we end deficit spending in this country, and balance the budget. But in the meantime, part of our interest rate problem, as we all know, is government having to go into the capital market and compete with private industry, private borrowers for the Federal funds. Well, the savings rate rose from 4.9 percent to 5.7 percent in February and March, and we estimate that as our program goes forward, that probably by 1985, there will be a $260 billion capital pool, which is far in excess of what the government would need to borrow, and we'd have adequate capital for industrial expansion for home mortgages and so forth.

The unemployment which is the last symptom of recession to disappear, I'm sorry to say—because having lived through and sought my first job in the very depths of the Great Depression in 1932, I have a kind of a traumatic feeling anytime with regard to the unemployed. But I think it's interesting to note that even in the depths of this great recession, there are 332,000 more people working than there were when we took office. The total percentage—I think we're going to find that we have a problem over and beyond recession with regard to employment when we have finally resolved this recession. And perhaps it is the great influx of people of a working age moving into the job market, people who heretofore were not a part of that job market.

There are 57 percent of the working-age people of America who are presently employed in spite of the horrendous unemployment that we have. The alltime record for that figure is 59 percent, set just a few years ago, because those figures are far above what has been over the years the normal for the percentage of working-age people who are actually in the job market.

Now, I could talk about a lot of other things: the tuition tax credit and why we ought to have it, and the fact that our tax program is not designed for the rich—it's across the board and evenly administered. But I won't, because I think that you want to get to some questions. But before you do, I understand someone gave you some scores on last night's prime-time television show. I didn't know how to act, not being on the late, late show. [*Laughter*]

But as of 11 o'clock, before we came here this morning, the number of telephone calls, which exceeds anything we've ever received on any other appearance, are 82 percent in our favor. And, as of 11 o'clock this morning, the telegrams and mailgrams are 86 percent in our favor. So, I'll quit while I'm ahead. But—yes.

Public Support for the Program

Q. Mr. President, in contrast to that reaction, our newspaper did a survey this week of people living in our area, which is a heavily Republican area. And we found that there's been a slippage of about 30 percent in the favorable ratings on your treatment of the economy. I wonder how that would affect your political dealings with Congress in terms of the budget passing, if that's widespread.

The President. Well, I know that there'd been that kind of slippage, and I think in a recession of this kind, you have to expect it—the people who are having their personal troubles and all. Of course, sometimes it depends on how the question is asked also.

But no, I think that—I've just met with some Congressmen; that's why I was late getting over here today—we're going forward with a budget that we believe is necessary to get us on the path of reducing the deficits, and, at the same time, putting them on a reducing scale so that we can look ahead a few years to a balanced budget. And maybe that'll—I prefer the poll, recently taken, that said that 77 percent of the people want us to balance the budget by cutting spending; only 13 percent want us to balance it by raising taxes.

The Speaker of the House

Q. Mr. President, David Stockman[1] told us this morning in a special briefing that this extraordinary effort between yourself and Tip O'Neill had failed because of unbridgeable, philosophical differences, and left us with the impression, or at least this reporter, with the impression, that you and Tip O'Neill are not going to be talking very much in the next weeks ahead. How can the people of Detroit and the Midwest, who are in economic disaster, expect to get some kind of help from this part of the country if the Speaker of the House and the President have reached a point where they can't talk to one another?

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[1] *Director of the Office of Management and Budget.*

The President. No. I have to tell you that Tip O'Neill says to me that, after 6 o'clock at night, we're friends. And so, I talk to him; I just set my clock ahead. [*Laughter*]

No, there is a great philosophical difference. I would have to say of the Speaker that he truly believes in the philosophy of over these past decades that government must be the answer, that government spending stimulates the economy and, therefore, you don't cut the budget. And somehow the deficit just seems to be invisible where he's concerned. He doesn't think that counts.

Q. Well, at this point is the President saying, "I've heard all I want to hear from the Speaker of the House. I've heard it all before"?

The President. Oh, no. And what I said last night on the air holds, and this is what I said to our Congressmen. And I'll be meeting with others—and of both parties in the next few days, the first of the week. No, we continue now to—the parameters have kind of been set as to where we differ. And as I said last night, I think I proved yesterday that I was—or the day before yesterday—that I was willing to make some concessions and try to find a common meeting ground. And our leadership has gone out in the House and the Senate to start on that process.

Budget Negotiations

Q. May I follow that up further? Sir, in that line, is what you had on the table just before the collapse of that meeting with the Speaker—is that where you start from? Is that still there?

The President. Well, I don't know, because you must remember that the group that had met did not include the leadership of either the House or the Senate. And it was a kind of a—it was a bipartisan group to see if they couldn't find some area of agreement—not negotiating in a sense of saying, "Well, okay, let's settle on this point." So, what we had was a worksheet in front of us the day before yesterday in how far one side had come and how far the other side had come. And that's where I finally, as I say, swallowed hard and said, "Well, okay, why don't we split the difference?" But even that was not acceptable.

So, what you're going to have now is the normal congressional committee process, and our Senators in the Senate Budget Committee will go to work now and work out what they believe is a presentable budget. I'm sure the same thing will be going on on the House side, where the other party dominates. And then all of us together will have to come together in working out what they feel they can get passed in their two Houses and what I'll sign, if it is passed.

Q. That may not be able to be done, Mr. President, because David Stockman was very belligerent this morning about Tip O'Neill. And he kept saying, "I want to be fair and objective," but then every other word was how terrible Tip O'Neill was in one framework or another. I mean, he didn't sound like he was, or you were, willing to negotiate.

The President. Well, I can understand that, because in the meeting that we had the Speaker was just—there was no give whatsoever, even suggestion or hint, of negotiating. And this is why the meeting ended with nothing accomplished. But he's got to—he has to deal with the various factions in his House among his own party.

Q. But is he going to get together with the Congress and form a program that is successful? Don't you need someone with a little more diplomatic sense than, at least, Stockman——

The President. Well, as I say, *he* has to be guided also. In other words, he is no more of a dictator than I am. He can't order the Democratic majority in the House to do something. They will meet in their committees, and they will come up with what they believe are reasonable solutions. And he'll have to cooperate with that.

The Nation's Economy

Q. Mr. President, quarter after quarter we have been looking for some kind of a significant upturn in the economy, and now most of the analysts agree that this latest deadlock is going to further depress the economy, or at least slow down its recovery, particularly in terms of interest rates coming down. Given the fact that some polls do show slippage in support for your economic policy, how much time do you think the administration has left to get the economy turned around?

The President. Well, I happen to believe that if we had been able to walk out and say, "We have arrived at a bipartisan agreement, and here's what's going to happen," I have a hunch that the interest rates would have almost instantly started down, because there is no other reason than psychological for the interest rates staying where they are. Interest rates are high when you have an inflation rate and the lender must get back in his interest that depreciating value of his money and then the return—the earnings on his money—on top of that.

When we started, 12.4 was the inflation rate. A lender had to get 12.4 percent in interest and then he was only breaking even—and then had to get an interest rate on top of that. Now the interest rates have come down about 20 percent since we started inflation down. They are holding where they are now only because of the fear in the marketplace that it won't be permanent, that more of the Congress will act as Tip O'Neill did—and that therefore inflation—they can look forward to inflation going up again. But we're determined that's not going to happen.

So, I believe that when we show the money market that we have agreed upon a budget—and that process is coming and is going forward now; started as of last night—when we show them that we actually are going to reduce the spending and perhaps enhance the revenues, as even I suggested myself, without affecting our basic tax program, which is aimed at providing incentive for expansion, I believe then there will be some confidence.

As a matter of fact, out there where all of you come from, there are many signs that the free marketplace is taking care of that. There are areas where bankers have gotten together and made money available for automobile loans at several points below the market interest rate to stimulate auto sales. And it has worked. There has been a sudden surge. As a matter of fact, General Motors has just called back 2,000 workers from layoff. But it's also happening in the real estate market.

We're seeing and—here, just looking at the local papers in the real estate section—housing developments, where the holders of those—the construction companies that own those housing rates are offering 1 percent down and interest rates about 4 or 5 percent below the market. And I think this is a beginning sign that they recognize that there's no excuse. By all rhyme and reason interest rates today should be below 10 percent on the basis of inflation.

But you've had your hand up.

U.K.-Argentine Dispute

Q. Mr. President, do you see any possibility of military involvement by the United States in the Falklands dispute?

The President. No, I don't see any possibility of that. And we're still hopeful that before action takes place, that there still may be a diplomatic settlement. We've gone as far as we can go in that regard. There's nothing more that we can propose. We stand ready—and both sides know it—to help if need be.

But I know that there's still discussion going on at the U.N. And I believe that, down inside, neither side really wants the violence. So, we'll hope for that.

But, no, there would be no involvement militarily by the United States.

Ms. Small.[2] One more.

Q. Concerning that——

The President. She said one more.

Q. In his statement, this morning, Secretary Haig said that, if there is a military conflict, the United States will be providing military materiel to Great Britain. May I ask what the nature of that supply would be and what Argentina's response has been to the statement?

The President. I haven't heard any response to that statement as yet. It was only just made this morning. That would only be in keeping with our treaties, bilateral treaties that we have with England by way of the North American [Atlantic] alliance. And we've had—at this moment we've had no request for any such help from the United Kingdom.

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[2] *Karna Small Stringer, Deputy Assistant to the President and Director of Media Relations and Planning.*

But I think what the Secretary was saying is, we must remember that the aggression was on the part of Argentina in this dispute over the sovereignty of that little ice-cold bunch of land down there, and they finally just resorted to armed aggression, and there was bloodshed. And I think the principle that all of us must abide by is, armed aggression of that kind must not be allowed to succeed.

Q. Would you grant what materiel Great Britain requests?

The President. I'm sure that we would, because I'm sure they wouldn't make any request that was not in keeping with the bilateral arrangements that we have.

Ms. Small. Thank you, Mr. President.

The President. Well, I'm told that I can't. They tell me that I have to leave here. I'm terribly sorry.

Q. May I ask one quick question about another island in the Atlantic that may be——

The President. If I can answer it in one word or two.

Cuba

Q. Will there be normalized relationships between the United States and Cuba sometime in your administration? What would that take?

The President. What it would take is Fidel Castro, recognizing that he made the wrong choice quite a while ago, and that he sincerely and honestly wants to rejoin the family of American nations and become a part of the Western Hemisphere and the American nations again. And it would take more than words. I think there are some deeds that if he performed those deeds it would prove his sincerity. And no one would welcome him more than we would.

Thank you all very much for being here.

Note: The President spoke at 12:59 p.m. in the State Dining Room at the White House.

Appointment of 18 Members of the Intergovernmental Advisory Council on Education, and Designation of Chairman

April 30, 1982

The President today announced his intention to appoint the following individuals to be members of the Intergovernmental Advisory Council on Education. The President also announced his intention to designate Joseph C. Harder to be Chairman.

Joseph C. Harder has been serving as a State senator for Kansas since 1961. He resides in Moundridge, Kans., and was born February 1, 1916. He would succeed J. Glenn Schneider.

Roberta T. Anderson is currently serving as dean, School of Education, the University of South Dakota. She resides in Vermillion, S. Dak., and was born July 26, 1933. She would succeed Richard C. Gilman.

William S. Banowsky is president of the University of Oklahoma. He resides in Norman, Okla., and was born March 4, 1936. He would succeed Henry S. Commager.

Alan L. Cropsey is presently serving as a State representative for Michigan. He resides in DeWitt, Mich., and was born June 13, 1952. He would succeed Richard G. Hatcher.

Esther R. Greene has been serving as director of public affairs for the California Chamber of Commerce since 1975. She was born December 31, 1927, and resides in Sacramento, Calif. She would succeed Sandra K. Lucas.

Emlyn I. Griffith is an attorney at law in Rome, N.Y., where he resides. He was born May 13, 1923. He would succeed Ramon C. Cortines.

Manuel J. Justiz is presently director, Latin American programs in education, and assistant professor, department of educational administration, College of Education, at the University of New Mexico. He resides in Albuquerque, N. Mex., and was born December 26, 1948. He would succeed Wenda W. Moore.

Vance R. Kelly is serving as a State senator for New Hampshire. He resides in Londonderry, N.H., and was born March 26, 1941. He would succeed Lucille Maurer.

Joseph L. Knutson is president emeritus of Concordia College. He resides in Moorhead, Minn., and was born February 14, 1906. He would succeed William Shea.

Jacqueline E. McGregor is currently field director for the Senate campaign of Congressman Phil Ruppe in Michigan. She resides in Iron Mountain, Mich., and was born December 18, 1938. She would succeed Abraham Shemtov.

Norman A. Murdock is with Ahlrichs and Murdock Company, L.P.A., and commissioner for Hamilton County. He resides in Cincinnati, Ohio, and was born November 6, 1931. He would succeed Daisy W. Thaler.

Ralph J. Perk is with Ralph J. Perk and Associates in Cleveland, Ohio. He was mayor of Cleveland in 1971–1977. He resides in Cleveland and was born January 19, 1914. He would succeed Frank Bowe.

Dalton Sheppard, Jr., is serving as State representative for South Carolina. He is also president and owner of CreditData Corp. He resides in Columbia, S.C., and was born September 2, 1936. He would succeed Jessie M. Rattley.

Betty R. Sepulveda is an instructional consultant for language development in the office of curriculum for Denver Public Schools. She resides in Denver, Colo., and was born January 26, 1923. She would succeed Hiroshi Yamashita.

George N. Smith is superintendent of Mesa Unified Schools in Mesa, Ariz. He resides in Mesa and was born February 11, 1927. He would succeed Judith M. Owens.

James B. Tatum is president of Tatum Motor Co. in Anderson, Mo., where he resides. He was born July 24, 1925. He would succeed Robert L. Hardesty.

Harriet M. Weider is supervisor for the 2nd district for the Orange County Board of Supervisors. She resides in Huntington Beach, Calif., and was born October 7, 1920. She would succeed Robert Graham.

Gonzalo A. Velez is currently serving as national chairman of the Congress of Filipino-American Citizens. He resides in West Orange, N.J., and was born October 26, 1941. He would succeed Andrew C. Phillips.

Statement on the Situation in Poland

May 1, 1982

May 1 is celebrated as Labor Day in many parts of the world. Although this celebration originated in the United States, recently the Communist world has paid it special attention. This takes on ironic significance in the wake of the brutal actions by Polish authorities to crush Solidarity, the only free trade union in a Communist country.

Poland is no longer on the front pages every day, but we must not allow her people to be forgotten. We must continue to honor the unbroken spirit of the Polish people and to call upon Poland's leaders to recognize their commitments. The Polish leaders must take positive action if there is to be hope for either economic recovery or a healing of the hatred and bitterness that the political repression has generated.

On December 23, we imposed a broad range of economic sanctions against Warsaw in response to the government's declaration of martial law. We made it clear that these sanctions are reversible if and when Polish authorities restore the internationally recognized human rights of the Polish people. When that happens, we stand ready to provide assistance to help in Poland's economic recovery.

The actions taken earlier this week by the Polish Government are a welcome step in the right direction but are not enough. By their own count over 2,000 citizens, including Lech Walesa, are still imprisoned. I would like to lift our sanctions and help Poland, but not until the Polish Government has ended martial law, released the detainees, and reopened a genuine dialog with Solidarity, led by Lech Walesa.

So on this day, Law Day in the United States, when we commemorate our principles of liberty and individual rights, we reflect upon the Polish people's lack of such freedoms and upon their struggle to gain them.

Exchange With Reporters on the Dispute Between the United Kingdom and Argentina in the Falkland Islands

May 1, 1982

Q. Mr. President, was the British attack on the Falklands expected?

Q. What are we going to do about the Falklands air attack?

Q. Mr. President, tell us what you can about the Falklands strike. What do you know about what's happened in the Falklands?

The President. There are conflicting stories. All I know is that we still stand ready to help, and we hope that there still can be a peaceful solution. So, that's about all that I can comment on with regard to——

Q. You don't believe full-scale hostilities would result necessarily from the strike this morning?

The President. No, I don't believe that they have to necessarily follow.

Q. Do you think the Argentinians might retaliate?

Q. Are we doing anything to get a peaceful solution going?

The President. Yes, the Foreign Minister of England is coming here. The Foreign Minister of Argentina is at the United Nations, unless he's changed his mind since I went to bed last night. And we continue to be hopeful.

Q. Mr. President, did you have any advance warning at all that this attack by the British was coming this morning, or was it a complete surprise?

The President. Complete surprise.

Q. Do you think the Argentinians may try to retaliate against the British fleet, sir?

The President. I can't comment. I'm not going to speculate, because, as I say, I want to stay in a position where we can be of help.

Q. Well, bon voyage.

The President. How come you moved to the left?

Q. The Sun.

Q. You put us here.

Q. It makes you look good.

Note: The exchange began at 9:45 a.m. at the South Portico of the White House as the President was leaving for his trip to Knoxville, Tenn.

Radio Address to the Nation on the Program for Economic Recovery

May 1, 1982

My fellow Americans:

This broadcast today is coming from the American Pavilion, the World's Fair that opens in Knoxville, Tennessee, today.

Two nights ago I went on national television asking you to help us get a bipartisan budget passed in this Congress—not just any budget, but a budget that will hold down your taxes and get spending under control so we can reduce deficits, interest rates, and put unemployed Americans back to work. Let me just say, your calls and telegrams really warmed my heart. You came through with the greatest outpouring of support our administration has ever received, and you let us know that while our program did not in its first 30 weeks solve all the problems that have piled up for more than 30 years, it is beginning to work.

Ernest Key wired us from Georgia: "Gas in Atlanta is 20 cents per gallon cheaper than this time last year. Inflation is almost cut in half. All of this began after October 1st," he wrote. Well, October 1st was the start of our program.

Hazel Quinn from Texas said, "As a senior citizen living on social security, your program is working to our benefit. Groceries have remained stable."

John McMullen from Michigan told us that, "The other philosophy of tax and spend has a record of failure. Fight on," he said. Well, we will.

We're seeing signs that the economy is ready to turn up. The record high interest rates we inherited nearly wrecked the housing industry, but as we've begun to bring those rates down, housing starts have increased steadily over the last 5 months. Airline travel, an indicator of future business activity, is up. There'll be an increase in automobile production in the second quarter of 1982.

Another very important sign—Americans are starting to save again. In the 6 months since that first 5-percent phase of our tax cut took effect, the rate of personal savings has risen to 5.7 percent from 5.1 percent for the year before. This means billions more in the capital pool to finance new investments, jobs, and economic growth. It also indicates lower interest rates ahead.

We can do even better if you help us protect the first decent tax incentives for your families—the 10 percent cut in July and the one in 1983—the first since John F. Kennedy's tax cut nearly 20 years ago. Yes, our tax cut is big, and yet it barely offsets the enormous increase in taxes built into the system in 1977. That was the biggest single tax increase in our history, and there are more installments of that yet to come in the next couple of years.

We must be fair to all our people. We're devoting one of the largest shares in the history of the Federal budget to assisting low-income Americans. But let's ask ourselves, where was the fairness in those bankrupt spending policies that gave us double-digit inflation, record interest rates, and a trillion-dollar debt? Where is the fairness now if we make even more painful the highest peacetime tax burden we've ever known? We're not going to do that. With your support, with responsible Republicans and Democrats working together, we can pass a good budget that will help taxpayers more than it hurts them.

Last year with your help we passed a budget bill that lowered the spending increase by more than $30 billion. How big would the projected deficits be if that hadn't been done? Those who fought and voted against those savings are fighting against the additional savings that we've proposed for 1983.

It's extremely difficult for the Congress to withstand the pressures for more spending. That's why I asked Congress to pass, as soon as possible, a constitutional amendment to require balanced Federal budgets, and that's why I'm appealing to all of you at the grassroots. Start putting pressure on the Congress now. Let's find out who's hiding behind the rhetoric of balanced budgets but is unwilling to make the cuts in spending needed to bring them about.

There are now two resolutions pending, one in the House and one in the Senate, that enjoy strong support and that would lead to such a constitutional amendment. They would require the Congress to adopt a balanced statement of taxes and spending each year. But the growth in revenues could not exceed the prior year's growth in national income. In other words, it would contain a limitation so that you couldn't just have a balanced budget by always sending the bill to the taxpayers for whatever the deficit might be. A balanced budget amendment would have to be ratified by three-fourths of the States. The Congress could approve a deficit, but only by a 60-percent vote of the full membership of both the House and Senate.

I'm convinced that most of you do support the need for a constitutional amendment. After my speech night before last, the public response was more than 7 to 1 in favor of the idea.

Government must stay within the limit of its revenues. This is not a political issue between parties. It's an issue simply of sense versus nonsense, of endless red ink versus lasting recovery. With your voices and your support good sense will prevail.

Thank you, and God bless you.

Note: The President spoke at 12:05 p.m. from the U.S. Pavilion at the Knoxville International Energy Exposition (World's Fair) in Knoxville, Tenn.

Remarks at the Opening Ceremonies for the Knoxville International Energy Exposition (World's Fair) in Tennessee

May 1, 1982

Ladies and gentlemen, your Governor, Senator Baker, your Congressmen, members of our Cabinet, and a good friend and loyal Tennessean, Dinah Shore:

It's a special pleasure for me to be here this afternoon in the shadow of the Sunsphere, a symbol of energy potential, near the banks of the Tennessee River, whose force we have tapped for centuries.

All Americans can be proud of this World's Fair that we open today. For the next 6 months, we'll be host to representatives of 22 nations—more countries than have participated in any world exposition in more than a decade. Here in Knoxville, in the Tennessee foothills, in the hometown of John Duncan, the home State of my good friends Howard Baker and Lamar Alexander, Robin Beard, and Jimmy Quillen, the world will share its knowledge, accomplishments, and hopes for tomorrow. Americans welcome the world to Tennessee.

The technology exhibited here once seemed as fanciful as the extraction of sunbeams from cucumbers in "Gulliver's Travels." But as de Tocqueville said, when people live in democracy, enlightenment, and freedom, their societies will be marked by scientific genius and discovery.

The countries represented here hold out the hands of friendship and cooperation; let us join them. Inventors of the world share the discoveries of their laboratories, universities, and research centers; let us pool our knowledge, technology, and our dreams. In the days and months ahead, let this spot be the focus of progress, not only in the field of energy but for the cause of the peace.

The theme of this fair, "Energy Turns the World," is appropriate for this decade, as our nation and many of our allies struggle to produce and use energy efficiently—to provide for our energy security.

We've seen the havoc and felt the pain brought on when vital energy sources outside our influence have been cut off. We've seen our economies manipulated, our industries hamstrung, and our people squeezed between scarcity and inflation. Together and independently, we've taken steps to make sure that never again will we be so vulnerable.

Here in America, in this administration, our national energy policy dictates that one of the government's chief energy roles is to guard against sudden interruptions of energy supplies. In the past, we tried to manage a shortage by interfering with the market process. The results were gas lines, bottlenecks, and bureaucracy. A newly created Department of Energy passed more regulations, hired more bureaucrats, raised taxes, and spent much more money, and it didn't produce a single drop of oil. In fact, American oil production continued to decline. Just as in today—and too many other cases—government did not solve the problem; it became the problem.

Our administration is determined to press forward for real solutions. Already we have dramatically increased our Strategic Petroleum Reserve. Instead of managing scarcity, we'll help ensure continued supplies from a strategic stockpile, alleviating shortages while permitting the private market to work.

Our stockpile, I'm happy to tell you, is now one of the largest in the world—more than a quarter billion barrels—an amount greater than 135 days' supply of the crude oil we import from the Arab OPEC nations. Last year, this reserve has been stocked with more than twice as much oil as was accumulated in the preceding 4 years. We will increase it to nearly three times our current supply as a symbol to our allies of our resolve to reduce our vulnerability. We will ensure that our people and our economy are never again held hostage by the whim of any country or cartel.

In the area of conservation, our industries and our citizens have increased energy efficiency and cut back on waste. The amount of goods and services that we produce for each unit of energy went up last year by 4½ percent—the greatest increase in 30 years.

For the last several months, our net oil imports have been less than half of their 1977 levels. But energy is still a great concern. Even with our improved conservation, we consume 16 million barrels of oil a day.

Now, let me give you an idea how many 16 million barrels is. Imagine the distance to the Moon. If those 16 million barrels were stacked up each day, they'd reach the Moon about once a month. We're the world's largest consumer of energy. But we use that energy well.

We are one of the most productive nations in the world. Estimates show that the 25 eastern States and Washington, D.C.—which expends most of its energy shuffling paper—produce about as much in goods and services as the entire Soviet Union. And with only 5 percent of the world's population, we Americans account for more than 21 percent of the world's output. But we can't afford to be complacent. Our energy appetite means our energy production must be allowed to keep pace.

In the last year, our oil production in the lower 48 States ended its decades-long decline. In 1981 America produced nearly 90 percent of the energy that is consumed. What caused this turnaround? The same principle responsible for most of the prosperity, production, and progress in the world today: free enterprise.

Our economic and energy problems were in large part caused by government excesses and quick fixes, not by a basic scarcity of supply. Our principles have not failed us. Too many times, we have failed to live up to our principles.

Since January 1981, when I ordered immediate decontrol of oil, we have removed requirements for more than a million manhours of energy-related paperwork, eliminated more than 200 energy-related regulations, cut taxes to encourage capital investment, begun to dismantle the Department of Energy, and reduced spending nearly $5 billion from the levels proposed by the previous administration. We're unleashing, again, the power of our people and the forces of democratic capitalism.

Skeptics said the decontrol of oil would send prices soaring. But the price of gas at the pumps has been dropping. Gasoline prices, at last, no longer lead inflation but are actually holding it down. Within a year of decontrol, more than 1,000 new drilling rigs began searching for oil and natural gas. Forty percent more successful oil wells were completed in '81 than the year before. In February our oil production was the greatest it's been for the last 2 years. There is magic in the free marketplace, and it works.

Although oil has been decontrolled, natural gas, the nation's largest source of domestic energy production, remains under price controls. As a result, natural gas wells have increased only 10 percent. The legislative agenda this year is too crowded to handle the issue of natural gas decontrol. But if America is to provide for her energy security, if we're to continue growing more self-reliant, if we're to free ourselves from foreign pressure, we must press toward the ultimate solution to our energy problems: the decontrol of all of our energy sources, including natural gas. And this we shall do.

Within our boundaries and just off our shores, experts estimate that compared to our current reserves, three times as much oil and gas are yet to be discovered. We're also blessed with a quarter of the free world's coal and uranium resources.

In the last year, America has also greatly increased exports of coal, strengthening our economy and helping our allies lessen their dependence on imported oil. In 1981 exports from this country of coal reached 110 million tons. That's 20 percent more than the previous year. Coupled with our decreasing oil imports, this meant America's net dependence on foreign energy fell to less than 13 percent. It was nearly 25 percent in 1977.

Though quite small, our use of solar power is expanding. Many people across the country are experimenting with renewable technologies such as wind and geothermal power. The Synthetic Fuels Corporation has also become operational, managing loan guarantees and price supports for some important projects. But heavy reliance on these sources is still in the future. We still have to depend on practical sources available today, such as nuclear power, which now produces more of America's electricity than oil. The Clinch River reactor, which will use new breeder technology, and the Oak Ridge National Laboratory, not far from here, symbolize our commitment to developing safe nuclear energy and technology to secure our energy future.

Our Secretary of Energy, Jim Edwards, tells the story about the time in his home State of South Carolina he spotted a car bearing a bumper sticker, "Split wood, not atoms." Well, he said he didn't think the fellow driving the car had ever split much wood—especially not a one, enough for a typical family's needs—because it isn't very easy. I can testify to that. But Jim said he wanted to tell him that America must split both atoms and wood. It'll take the use of many technologies to satisfy our future energy demands.

We're pursuing our goal of energy security while still respecting and protecting our environment. The staggering statistics of progress that I've recited today—our growing independence from foreign oil and our increasing sophistication in using our reserves—reflect American ingenuity at its best. This progress didn't come about as the result of some government program. It's the result of getting government out of the way.

We're applying the same philosophy to our economy: restoring incentive, rewarding risktaking and hard work, encouraging investment, and returning more freedom to the marketplace. An economic mess has been piling up for more than 40 years. Our economic recovery program began only 6 months ago, but already there are visible signs of success.

In the last 6 months, inflation, which was 12.4 percent, has been running at a rate of only 3.2 percent. And last month the Consumer Price Index—the measure of inflation—actually went down. For the first time in 17 years, not only did goods not get more expensive; they got cheaper. In the 6 months since our tax cut took effect, the rate of personal savings has increased. And we've seen recent gains in housing starts, auto sales, and retail sales.

Now, we still have a long way to go before our economy is back in shape. And this recession is causing great pain to too many of our people. But there was a thing called the misery index that was created in the 1976 Presidential campaign. It was used against the then incumbent President Ford. And the misery index had been created by adding the rate of inflation and unemployment. And at that time, they were something around 12 percent. And they were used over and over against, as I say, the President in that campaign. Well, in the 1980 campaign, they didn't mention the misery index, because it had risen to 20.8 percent. I'm happy to tell you the misery index is now currently 9.8 percent.

Still, there is pressure from many sides to retreat to business-as-usual. There are still those in leadership positions who would allow government to grow bigger and bigger. Many well-intentioned people suggest that we can't spend less and we must tax more. As the decisions become tougher and the stakes get higher, some people in Washington are throwing up their hands. Their only answer for our energy problems, for our economy, and for virtually any difficulty at all, is more government.

Well, we will continue to press for a bipartisan budget. But the only compromise offered so far has been: If our side agrees to raise taxes, the other side will continue to increase spending.

You know, trying to end the recession or eliminate the deficit by raising taxes is like the Big Orange trying to pull a football game out in the fourth quarter by punting on third down. No government in the history of civilization has ever voluntarily reduced itself in size. But with God's help, this one's going to.

Yes, we had the largest tax cut in history last year, but it barely offsets the massive, largest tax increase in history that had been passed in 1977. And yes, we cut the rate of growth in government spending—nearly in half. But if we don't cut spending more and if we don't protect the people's tax cut, we'll see the largest deficit and the highest personal tax burden in American history.

I don't believe that you sent us to Washington to raise your taxes. And I don't think you sent us to Washington just to do what everyone did before us—spend and spend and spend. We don't have a trillion-dollar debt because we don't tax enough; we have a trillion-dollar debt because we spend too much.

We must balance the budget but history shows it can't be done simply by raising taxes. And for that reason, I've asked the Congress to pass as soon as possible a constitutional amendment to require a balanced budget. Then there will be no partisan pointing of fingers; there'll be no refusal to compromise; and there will no longer be any red ink below the bottom line of our budget.

Twenty years of tax-and-spend policies resulted in 21-percent interest rates, back-to-back years of double-digit inflation, and the unemployment rate that afflicts us today. Retreating to those tired old policies will only bring us more of the same. We plan to hold down spending, reduce taxes, and return prosperity. And we think that's the most compassionate program of help for the people that we can possibly produce.

I'm sure that patriots in every country believe that their nation holds the key to world progress. But I have long believed the United States of America and her people have a special destiny. Abraham Lincoln said, "God would never cease to call America to her true service, not only for her sake, but for the sake of the world." I believe the challenge of this generation of Americans is to turn our country to a different path, to restore it to the principles that made it great, because the free world—indeed, western civilization—needs a strong United States.

The community of nations must work together to achieve stability, security, and peace. This exposition that we open today is another step toward achieving those goals.

You know, to those who have refused to take part, who are conspicuously absent, who continue to lock their people in misery through isolation and tyranny, we can say to them only: We wish you had come. But we'll make no effort to hide this wealth of ideas. We believe advances in the human condition can only come from open markets, free trading, and stiff competition. Men and nations who ignore those forces will be lost to time.

Let the rest of us draw from this exposition a sense of confidence and community. Let us realize that free men and women still have the power to better their lives and raise the standard of living for all mankind. Let us recognize that those things that bind us and keep us strong: our democratic political institutions, our market economic systems, our commitment to liberty, and our belief and faith in human dignity. And let us reaffirm our partnership among citizens, among States, and among nations.

What a partnership it was for this community to bring forth this great exposition. Maybe we should all recall that late in the last century, there was a great world exposition. And, at that time, there was a Member of our Congress who actually proposed a measure to eliminate the Patent Office, because he said that everything had been invented that needed to be invented or that could be invented. Well, I wouldn't be talking into a microphone today, if we'd gone along with that.

As we pool knowledge and resources here in Knoxville, our cooperation will become the keystone of a more peaceful and a stable world.

And now, I'm looking forward to seeing something of this exposition. Thank you all. Have a good time, and God bless you.

Note: The President spoke at 12:33 p.m. in the Court of Flags on the World's Fair site.

Exchange With Reporters in Knoxville, Tennessee, on the Dispute Between the United Kingdom and Argentina in the Falkland Islands

May 1, 1982

Q. Anything new on the Falklands?

Q. Mr. President, how could you have been surprised about the attack if they took off from the Ascension Island while we control the air-traffic control?

The President. Simply because there was no report of it to us, until we received the reports that I mentioned this morning and the claims by both countries. But I'm keeping informed here, and we have nothing yet that we can add to what I've said.

Q. Are they using our airstrips on the Ascension Island to bomb the Falklands?

The President. There is a joint-use base there.

Q. If there's a joint-use base, then how could we have been surprised—is what we—we don't understand if there's a joint-use base how we could not have known about it.

The President. Well, I've never told the British when we took some plane off from there.

Q. Mr. President, is it all-out war now between both sides? Your information——

The President. I don't think so. There have been no casualties, and we're still hoping for a peaceful settlement.

Q. We have reports, sir, that the Argentines are attacking the British fleet. Have you heard that?

The President. There has been no such report at all to us.

Note: The exchange began at 1:25 p.m. outside the Hyatt Regency Hotel. The President was leaving the hotel, where he had attended a reception for Representative Robin L. Beard, to return to the site of the Knoxville International Energy Exposition (World's Fair).

Remarks at Dedication Ceremonies for the U.S. Pavilion at the Knoxville International Energy Exposition (World's Fair) in Tennessee

May 1, 1982

Governor Alexander, our Senators, our Congressmen, members of the Cabinet, Joe Rodgers,[1] and a very special greeting not only to you all but to this remarkable young man here who's on the platform.

Mac, I hope you won't be wronged if I tell something about—Mac stands up here as a businessman and a Cabinet member now, handling that great Department of Commerce. But one of my fondest memories after I was elected was when I called to ask him to take that position. And his wife answered the phone and told me he couldn't come to the phone, because he was out in a calf-roping contest. [*Laughter*] And I said, "He's in. He belongs." [*Laughter*]

Well, Omar, we thanked you just up here, where no one could hear, but Nancy and I are honored that you would work so that we could visit your hometown and this magnificent World's Fair.[2]

You know, that book that we were handed contains the names of the 12,000 people who contributed a penny. Now, it must have taken a long time to collect so many. And I understand that Omar said, oh, a couple of times it kind of got uphill going because he also asked for those signatures at the same time. Well, it must have taken a long time, and 12,000 people is a lot to have contributed to any effort. I'm glad that so many people wanted us here in Knoxville. I hope they weren't just trying to get us out of Washington. [*Laughter*]

But I'm proud that America is still bringing up young children like Omar, boys and girls who care about their community, their town, and their country. Omar, when I think of what you did and the extent of that job, we might call on you pretty soon.

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[1] *Former chairman of the Republican National Finance Committee.*

[2] *Eleven-year-old Omar Baldonado had collected $120 in pennies to buy two season tickets to the exposition for the President and Mrs. Reagan.*

There's a fellow in Washington that we have to negotiate with with regard to the budget. [*Laughter*]

But isn't it wonderful to see young people still understand that growing up American means they can reach as high, accomplish as much, and go as far as their talent and effort will take them? This beautiful pavilion is proof that other generations of Americans believed in dreams. It's wonderful to see that these young people believe they can see their dreams come true.

Earlier today, awestruck by just the glimpses that I've been able to get of some of the technology here, I referred to "Gulliver's Travels." That's a book that Omar may be familiar with. There's a character in that book who's trying to find a way to extract sunbeams from cucumbers. And I remarked that not long ago the technology exhibited here seemed every bit as fanciful as cucumber power. Now, I'm not suggesting that America devote much time or money to researching cucumbers. But we are a people known for dreaming with our eyes wide open.

We live our dreams. We make them come true. Our ideas and energies combine in a dynamic force—the kind of force that made the developments and breakthroughs and discoveries in this building possible. And that force has always enabled America to overcome great odds, and it always will. We just refer to it as the American spirit. That's the spirit Omar has, and that spirit is why I'm sure this country is going to do just fine.

There are other patriotic speeches being made in other parts of the world today. This is May Day—May Day in the Soviet Union, whose citizens are being forced into an unnatural observance. We'll see, as we always do every May Day, the rockets on their carriages go by and the troops and the bayonets and so forth. They celebrate a government that promises a freedom it systematically denies; that proclaims justice while practicing tyranny; and that uses what it calls law as little more than a thin veneer for the edicts of a totalitarian edict [government].[3]

I think the greatest description of the difference between the two countries is simply that one has to put up fences and walls to keep its people in, and there's nothing like that that has to keep anyone in America. And thanks be to God. We're free just as we have been. Omar and his generation are free to dream and then turn those dreams into reality.

As you walk through these exhibits today, just imagine what wonders his generation will bring us. Our task is to ensure that children and their children's children have their same chance to grow up in liberty. So, Omar, once again, bless you, and thank you for your gift. Thank you for the inspiration. And I can assure you that every time we'll look at this, we'll be more and more sure that the impossible can be done. It just takes a little longer.

I wish all of you a good time and hope that as you stroll around these grounds, you're as grateful and proud to be an American as I am and Nancy is. God bless you, and thank you all again.

I just have to say one other thing. Maybe some of you haven't looked up in the balcony here. There are some young men in uniform, and I think all of us can be very, very proud of them and their kind—young men and *women*.

Note: The President spoke at 1:57 p.m. in the U.S. Pavilion.

Following his appearance at the Pavilion, the President left Knoxville and traveled to Huntsville, Tenn., where Senate Majority Leader Howard H. Baker, Jr., maintains his Tennessee residence. The President remained with the Bakers overnight and then returned to Washington, D.C., the following day.

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[3] *White House correction.*

Proclamation 4938—Application of Certain United States Laws to the Northern Mariana Islands

May 3, 1982

By the President of the United States of America

A Proclamation

The Northern Mariana Islands, as part of the Trust Territory of the Pacific Islands, are administered by the United States under a Trusteeship Agreement between the United States and the Security Council of the United Nations (61 Stat. 3301). The United States has undertaken to promote the political development of the Trust Territory toward self-government or independence, to protect the rights and fundamental freedoms of its peoples, and to guarantee freedom of speech and of the press.

The United States and the Northern Mariana Islands have entered into a Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (Public Law 94–241; 90 Stat. 263; 48 U.S.C. 1681 note) pursuant to which many provisions of the laws of the United States have become applicable to the Northern Mariana Islands as of January 9, 1978 (Proclamation No. 4534, Section 2). Section 1004(a) of the Covenant provides that if the President finds a provision of the Constitution or laws of the United States to be inconsistent with the Trusteeship Agreement, the application of that provision to the Northern Mariana Islands may be suspended.

The Communications Act of 1934, as amended, is applicable to the Northern Mariana Islands. Certain provisions of that Act limit the issuance of licenses, other authorizations, and privileges to citizens of the United States. Other provisions of the Act prohibit the issuance of certain licenses to foreign governments, aliens, corporations organized under the laws of a foreign government, and corporations of which any officer or director is an alien, or of which more than one-fifth of the capital stock is owned by aliens, or to corporations which are directly or indirectly controlled by corporations under alien control.

The vast majority of the citizens of the Northern Mariana Islands will not become citizens of the United States until the termination of the Trusteeship Agreement. Consequently, the Government of the Northern Mariana Islands, its citizens, and corporations organized or existing under laws of the Northern Mariana Islands, as well as domestic corporations which have officers, directors, or stockholders in excess of 20 percent, who are citizens of the Northern Mariana Islands, or which are otherwise under the control of Northern Mariana Islands interests cannot receive certain licenses, authorizations, and other privileges under the Act. This result would be inconsistent with the obligation assumed by the United States in the Trusteeship Agreement to protect the rights and fundamental freedoms of the people of the Trust Territory and to guarantee freedom of speech and of the press.

Now, Therefore, I, Ronald Reagan, President of the United States of America, by the authority vested in me by the Constitution and laws of the United States, including Section 1004(a) of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, do hereby find, declare and proclaim as follows:

1. Any provision of the Constitution or laws of the United States which prohibits the issuance of a license or authority or the grant of a privilege under the Communications Act of 1934, as amended, to foreign governments, aliens, corporations organized or existing under the laws of the Northern Mariana Islands or to domestic corporations which have alien officers, directors, or stockholders, or which are otherwise directly or indirectly controlled by foreign interests would be inconsistent with the Trusteeship Agreement if applied to the Government of the Northern Mariana Islands, or to corporations organized or existing under the laws of the Northern Mariana Islands, and would be inconsistent with the Trusteeship Agreement to the extent that citizens

of the Northern Mariana Islands would be considered as aliens or the Government of the Northern Mariana Islands a foreign government for the purposes of the administration of that Act.

2. The application of any such provision, including Sections 303 and 310 of the Communications Act of 1934, as amended (47 U.S.C. 303 and 310), to such Government, corporations, and persons is therefore suspended to the extent of such inconsistency until the termination of the Trusteeship Agreement pursuant to Section 1002 of the Covenant.

3. As used in this Proclamation: (a) "citizen of the Northern Mariana Islands" means an individual citizen of the Trust Territory of the Pacific Islands who is exclusively domiciled within the meaning of Section 1005(e) of the Covenant in the Northern Mariana Islands, and a partnership, unincorporated company, or association whose members and officers are all citizens of the Northern Mariana Islands.

(b) "corporation organized or existing under the laws of the Northern Mariana Islands" means a corporation organized under the laws of the Government of the Northern Mariana Islands, including a predecessor government, which is doing business exclusively in the Northern Mariana Islands or in the United States.

(c) "Government of the Northern Mariana Islands" includes a political subdivision of the Government of the Northern Mariana Islands;

(d) "domestic corporation" means a corporation organized under the laws of the United States, a State, the District of Columbia, a Territory, or the Commonwealth of Puerto Rico.

In Witness Whereof, I have hereunto set my hand this 3rd day of May, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 4:18 p.m., May 3, 1982*]

Exchange With Reporters Following a Visit With the Phillip Butler Family in Maryland

May 3, 1982

Q. Mr. President, what did you tell the Butlers?

The President. I just told them what a great pleasure it was to be able to come in here and see them, visit with them.

I said I simply told them what a pleasure it was to come and be able to visit them here and how much I regretted any unpleasantness that they may have had, because there shouldn't be any place in our country for that sort of thing.

Q. Do you think anything can be done about such incidents?

The President. Well, I don't know.

Q. What made you want to come?

The President. I read about it in the paper this morning.

Q. You don't think it's characteristic then of 1982 America.

The President. No, it's just characteristic still of some people, and I think they're a minority. But when I use that term I mean a minority of that kind of person that seems to be filled with hatred and——

Q. Are the Butlers still going to leave this home and move to a new community?

The President. I didn't ask them what their plans were.

Q. Are you still going to move?

Mr. Butler. We don't know. It's something hard to say.

Q. Is there anything you think you can do about it, Mr. President?

The President. Well, I thought maybe we might just call attention to how reprehensible something of this kind is.

Q. Thank you.

Note: The exchange began at 5:12 p.m. outside the College Park, Md., home of Phillip and Barbara Butler as the President was leaving to return to the White House.

The May 3 edition of the Washington Post contained an article on the Butlers, who had had a cross burned on their front lawn 5 years earlier by a member of the Ku Klux Klan.

Statement on Action by the Senate Judiciary Committee Concerning Extension of the Voting Rights Act

May 3, 1982

Voting is one of the most cherished of our birthrights as American citizens. When practiced, it enriches our democracy; when threatened, it must be protected.

On November 6th of last year, in recognition of the significant contribution that the Voting Rights Act of 1965 had made in protecting the voting rights of minority citizens, I called for a 10-year extension of that law. No previous extension had been as long. I also asked that the bilingual provision in the law be extended so that it is concurrent with the other special provisions of the act.

The matter is now before the Senate Judiciary Committee, which has held extensive hearings and is preparing to report out a bill to the floor of the Senate. There appears to be nearly unanimous support in the committee for some form of extension.

A principal concern that I and others have expressed about the bill that has previously passed the House is whether it would create a new set of problems in trying to solve some old ones. Specifically and most importantly, we have questioned whether the standard of proof introduced in voting rights cases would lead to proportional representation in many election districts. Such proportional representation would, of course, be alien to the traditional political principles of our country.

During the past week, a majority of the Judiciary Committee has worked hard to fashion a constructive, bipartisan compromise that addresses this concern. In this regard, their compromise would greatly strengthen the safeguards against proportional representation while also protecting the basic right to vote.

Today I not only want to salute the efforts of those who have forged this compromise, but I also want to give it my heartfelt support. My hope is that it will now pave the way toward swift extension of the Voting Rights Act by the entire Congress.

I recognize that there are other concerns about the bill now before the Judiciary Committee. Among these is a desire for a reasonable bailout provision. Should such concerns be brought up in further debate, I hope they will be addressed in the same bipartisan, constructive spirit.

The all-important goal now is to enact an extension of the law as quickly as possible so that we can put it into effect and assure all of our citizens that we are committed to protecting their most sacred rights. As I said in my statement of November 6th: "The right to vote is the crown jewel of American liberties, and we will not see its luster diminished."

Proclamation 4939—Flag Day and National Flag Week, 1982

May 4, 1982

By the President of the United States of America

A Proclamation

Two hundred seven years ago, in June 1775, the first distinctive American flags to be used in battle were flown over the colonial defenses at the Battle of Bunker Hill. One flag was an adaptation of the British "Blue Ensign" while the other was a new design. Both flags bore a symbol reflecting the experience of Americans who had wrested their land from the great forests: the pine tree.

At the same time, as the colonies moved toward a final break with the mother country, other flags appeared. At least two of them featured a rattlesnake, symbolizing vigilance and deadly striking power. Each of these bore a legend. One was "Liberty or Death," and the other was "Don't Tread on Me." The Grand Union Flag was raised over Washington's Continental Army headquarters on January 1, 1776. It displayed not only the British crosses of St. George and St. Andrew but also thirteen red and white stripes to symbolize the American colonies. In 1776, the Bennington flag appeared. Its design included thirteen stars, thirteen stripes, and the number "76".

On June 14, 1777, two years after the Battle of Bunker Hill, the Continental Congress chose a flag which expressed very directly the unity and resolve of the colonies which had banded together to seek independence. The delegates voted "that the flag of the thirteen United States be thirteen stripes, alternate red and white; that the union be thirteen stars, white in a blue field representing a new constellation."

After more than two centuries, the flag chosen by the Continental Congress on that June day in Philadelphia still flies today over our Nation, symbolizing a shared commitment to freedom and equality and altered only to reflect our growth to fifty states with the gradual addition of thirty-seven more white stars.

To commemorate the adoption of our flag, the Congress by a joint resolution approved August 3, 1949 (63 Stat. 492), designated June 14 of each year as Flag Day and requested the President to issue an annual proclamation calling for its observance and the display of the flag of the United States on all Government buildings. The Congress also requested the President by joint resolution approved June 9, 1966 (80 Stat. 194), to issue annually a proclamation designating the week in which June 14 occurs as National Flag Week and calling upon all citizens of the United States to display the flag during that week.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate June 14, 1982, as Flag Day and the week beginning June 13, 1982, as National Flag Week, and I direct the appropriate officials of the Government to display the flag on all Government buildings during that week. I urge all Americans to observe Flag Day, June 14, and Flag Week by flying the Stars and Stripes from their homes and other suitable places.

I also urge the American people to celebrate those days from Flag Day through Independence Day, set aside by Congress as a time to honor America (89 Stat. 211), by having public gatherings and activities at which they can honor their country in an appropriate manner.

In Witness Whereof, I have hereunto set my hand this 4th. day of May in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 3:27 p.m., May 4, 1982*]

Remarks at the Republican Congressional "Salute to President Ronald Reagan Dinner"

May 4, 1982

Senator Packwood and Representative Guy Vander Jagt, Joe Rodgers—our chairmen—the lovely ladies here at the headtable, and you ladies and gentlemen:

I am here under false pretenses. I must have missed out someplace in reading all the materials that have been coming across the desk, because I thought that we were coming here to honor the Members of the House and the Senate and salute them. So, I don't care what you say this dinner is; I'm going to salute the people I came here to salute. [*Laughter*]

It is a great pleasure to be here tonight among those of you who have, with your interest and generosity, made a real difference in American politics. We need more people like yourselves to make that vital difference to help in the struggle for the principles that we all believe in.

Now, that doesn't mean involvement in politics is always rewarding or fun. I can't tell you the sympathy I felt for some members of a midwestern State legislature whose quotations were recently pasted up on the bulletin board in their Capitol pressroom. One legislator began a speech with this statement: "Before I give you the benefit of my remarks, I'd like to know what we're talking about." [*Laughter*] And then there was the one who announced, "Some of our friends wanted it in the bill; some of our friends wanted it out. And Jerry and I are going to stick with our friends." [*Laughter*]

Another warned, "From now on I'm watching everything you do with a fine-tooth comb." [*Laughter*] And one gentleman said bluntly, "I don't think people appreciate how difficult it is to be a pawn of labor." [*Laughter*] My own favorite is, "Mr. Speaker, what bill did we just pass?" [*Laughter*]

But if politics has its drawbacks, I think you'll also agree that it also has its great moments. And being here tonight is one. What we accomplish between now and next November can provide us with another one.

Now, let me put you at ease. I didn't come here tonight to lecture you on the economy or to make off-hand predictions about the exact figures making up this year's growth rate. The problems of interest rate, unemployment, and deficits aren't any secret. And you, of all people, know that it was the policies, as Guy has told us, of tax and tax and spend and spend over many decades that brought those problems on.

On the second point, I'm sure all of you've gotten a little weary of the great seers and prophets in the financial and political worlds, some optimistic, some pessimistic, who, even if they don't know how to predict accurately, at least know how to predict often. [*Laughter*] It reminds me of the sweet revenge that one businessman had recently when he told the company economist who was jumping out of an upper-story window, "Don't worry, Herb. You'll be bottoming out soon." [*Laughter*]

So, this isn't a night for lecturing or prophesying. You know where we stand and where we're going, and you're ready to go to work for our cause. We have an important job ahead of us. Getting our message across will take time and effort, but we do have tremendous advantages. The issues are with us this year. And by November 2d, if we do our job well, the voters will be in a mood to reconfirm the mandate that they gave us in 1980.

Remember, after the national political debate gets underway, it's the other party that will have to make some stark admissions to the American people. It's the liberal leadership of the other party that is going to have to say, "We're the ones who refuse to cut spending. We're the ones who tried to take away your tax cut. We're the ones who tried to protect every lord and fiefdom in the Federal bureaucracy. We're the ones who wanted a bargain-basement military and held a fire sale on national security." And, believe me, when they start talking like that, I think we, as Republicans, ought to give them all the running room they need and want.

You know, some people in Washington tend to forget one very important insight that our Republic was founded on: that there resides in the American people a common wisdom, a basic decency that comes to the fore just when it's needed most. The American people know the kind of economic catastrophe that this administration and this new majority in the Senate and these Congressmen who are here tonight inherited. They sense the enormous strides that we've made in reversing that trend and laying the foundation for economic recovery.

With the help of responsible Democrats and Independents, the American people also know that our party has done something that hasn't been done in politics for a very long time. Yes, as Guy said, we were going to cut spending, reduce the tax burden, rebuild our national defenses, and keep the peace by being firm with the Soviets. We said those things, and we meant them. We made our promises, and we kept them. Now it's vital that all of us, officeholders and nonofficeholders alike, remind the people of what they already instinctively know and feel.

Most Americans spend their time bringing up their families and making a living. They don't talk and think politics nearly as much as we who are in this room do. Remember, something that might sound repetitive to us in politics is probably something that most Americans will be hearing for the first time. So, starting tonight, let's go to the American people.

Let's remind them of the economic mess we faced when we took office that January: inflation in double digits, as you've been told, for 2 years in a row, back to back; first time in peacetime, interest rates that had hit, yes, 21½ percent; productivity and the rate of growth in the gross national product down for the third year in a row; and a money supply that had increased at a 13-percent annual rate in the last half of 1980.

Let's remind them that in 1976 the inflation rate stood at 4.8. By 1980 it was two-and-a-half times as high—12.4. Let's remind them that in December of 1976 the prime rate—interest rate averaged 6.4 percent. By December 1980, as you've been told, it reached that 21½ percent, a 200-percent increase.

Let's remind them that when we took office, unemployment had been climbing and business failures increasing. When the recession hit us, it was our legacy from the years of boom-and-bust, of erratic spending and monetary policy. And that recession didn't just come out of the sky; it actually began in 1979.

I remember standing in one town in the Midwest during the campaign and calling attention of the audience to the fact that in that town then unemployment was 20 percent. And in the next city that I went to it was 18 percent. And so it went down through the Ohio Valley, into the midwestern States, where the collapse had already begun in several important industries.

Let's point out that for all of this, there's been one overriding cause—we've said it before and let's say it again—government is too big, and it spends too much money.

In the last 10 years Federal spending tripled. In the last 5 years Federal taxes doubled, largely because of the growth of social programs. In 1950 social programs cost the taxpayers $12 billion; in 1980, nearly 300 billion—an increase of an incredible 2,300 percent. In that same period, prices rose by 278 percent. So, real social spending was actually five-and-a-half times higher than in 1950.

By 1980 one out of every three American families was receiving Federal assistance of one sort or another—one out of every three families. The budget for the Department of Health and Human Services—$250 billion roughly, the third largest budget in the world, exceeded only by the total budgets of the Soviet Union and the United States.

Take just one social program as an illustration. Sixteen years ago we were spending $65 million on food stamps—65 million. In 1981 we spent $11.3 billion. That's an increase of over 16,000 percent.

I use the food stamp program here because surveys show that it is the one Federal program whose abuses Americans have personally seen on a weekly basis at the checkout counters of their supermarkets. One report a few years ago by the auditor general of Florida, for example, showed that in a single month, 16 percent of the State's recipients had fraudulently obtained food stamp benefits totaling $4 million, and another 15 percent of the Florida recipients had received 1½ million in benefits through bureaucratic errors. And those figures were for a single month in a single State.

Much of the spending for these social programs is virtually automatic. They were part of the Topsy-like growth of all entitlement programs. Total payments as to individuals grew 400 percent in the last decade alone. Now, include in this picture the interest payments on our tremendous Federal debt, that, as you've been told, reached more than a trillion dollars last year. The yearly interest payments are a hundred billion dollars, and that's as much as the entire Federal budget was just 20 years ago—and we can all remember back 20 years ago, and I don't think that we were lacking for any amount of government with what we were spending then.

In fact, if you take the cost of automatic spending increases and entitlement programs, add them to the interest payments and the Federal debt and the other uncontrollables, and it means that 70 percent of the entire Federal budget is made up of items over which the Congress and the administration are supposed to have no control. I wonder how some of you in the private sector would feel if you were told to rescue a sinking business, but only on the condition that you could work with 30 percent of that business' budget and the other 70 percent was off-limits. So I think you can begin to understand the difficulty of halting the kind of momentum built up by the Federal spending juggernaut over the past few decades.

You know, it was a difficult and darn-near pathetic situation that confronted us in late January of 1981. I was in office just a little over an hour, and I left the Inaugural platform, walked into the Capitol, and signed an Executive order [memorandum] that began the long and difficult process of slowing the growth of government. It was an Executive order freezing the hiring of Federal employees at the limit at which they were then in their offices and jobs.

Our economic recovery program has cut the rate of growth in Federal spending nearly in half. It'll cut taxes for individuals and business by more than $300 billion by 1984. It will cut taxes for individuals and business by more than $300 billion by 1984. For the first time in history, taxes are scheduled to be indexed to the rate of inflation. That takes away government's hidden incentive to inflate the currency. And finally we acted quickly and effectively to cut away the thicket of Federal regulations—a thicket that was stifling business and industrial growth.

In less than a year, the increase in those regulations was reduced by nearly one-third. George Bush is on his way to China right now to have some conversations with them, but George has been chairing that task force that has been whittling away at those regulations. And the *Federal Register* is smaller by some 23,000 pages. That's the book that lists the regulations.

We also moved against waste and fraud with a task force, including our Inspectors General, who have already found thousands and thousands of people who've been dead for as long as 7 years and are still receiving their benefit checks. Now, I've heard of cradle to grave security—[*laughter*]—but cradle to the Pearly Gates is something else. [*Laughter*] Who said you can't take it with you? [*Laughter*]

We've concentrated on criminal prosecutions, and we've cut back in other areas like the multitude of films, pamphlets, and public relations experts—or as we sometimes have come to call them here now, the Federal flood of flicks, flacks, and foldouts. [*Laughter*]

We're cutting the number of people in the Federal payroll by 75,000 over the next few years and are fighting to dismantle the Department of Energy and the Department of Education—agencies whose policies have frequently been exactly the opposite of what we need for real energy growth and sound education for our children.

I think we can stand on the record. We managed in less than 1 year to substantially slow the momentum of decades of growth in government. The new management of a failing company that made changes like this in only 1 year would soon be the talk of Wall Street. Things are a little different in

Washington.

Our program has been in effect for only a little more than 7 months. Our dollar is stronger than it's been in 10 years. The inflation rate, which a year ago was the number one economic concern of most Americans, has taken a dramatic turn. The year 1981 ended with an inflation rate of 8.9 percent. It had been 12.4 in 1980. And since the beginning of this fiscal year, in October, inflation has averaged 3.2 percent. The rate for February was only 3 percent. And then in March, for the first time in nearly 17 years, the Consumer Price Index actually declined. It actually went below zero, and the prices went down. Now, that's a record we can point to.

Americans are beginning to feel the effects of lowered inflation. And this summer and fall they'll begin feeling the full effects of those substantial July tax cuts they have coming.

Now, one other thing that we'll have to do is meet head-on some of the myths that have been perpetrated about what this administration has been trying to do. Some of our adversaries like to portray America as made up of two diametrically opposed classes—one rich, one poor, both locked in a permanent state of conflict and neither one able to get ahead except at the expense of the other. I have often described our opponents on the other side of the aisle as being people who can't see a fat man standing beside a thin one without automatically coming to the conclusion the fat man got that way by taking advantage of the thin one. [*Laughter*]

We have to go to the American people and explain how our economic recovery program is designed to help everyone. We have to go to the American people and make clear the basic philosophical difference between we Republicans and the liberal leadership of the Democratic Party, that that is the difference that sets us apart and that the people must choose between.

I don't believe it's the job of government to play to the politics of envy or division, to hand to Federal bureaucrats the right to redistribute our people's income in the hope of ushering in some great new utopia. Our economic program will try to help everyone. It'll encourage wealthier Americans to stop seeking tax shelters and invest in productive industries and businesses that will provide new jobs and greater wealth for all of us. It'll give the middle class—the middle-class, working American a fatter paycheck, a lowered inflation rate, a chance to invest and save, a chance to get a little ahead of the game again.

It'll help entrepreneurs, small businessmen, those who hope someday to go into business for themselves by giving them greater rewards for the risks they take in the marketplace. Small business, as you all know, provides 80 percent of the new jobs in America. So, our tax cuts will help gradually to cut the rate of unemployment and get Americans back to work by stimulating small business and new enterprise.

And our program is going to help lower income Americans. Let me revise that. It has already helped them. A family of four with a fixed income of $15,000 has over $1,000 more in spending power because of the decreased inflation rate already. Now, that's a bigger increase in help to lower income Americans than was ever given in a single year by the increase in many of the aid programs dreamed up by the other party during the last few decades.

Now, we also know that some people don't want us to cut into scandal-ridden or ineffective Federal programs partly because they're interested in preserving the huge bureaucracies that those programs feed on. You know, with all of the attempt to help the truly needy and the people who must have our help, actually too many of those programs really set up, established, and then perpetuated an upper-middle class level of bureaucrats who had to maintain those needy people in their needy state as a clientele to preserve their own new-found wealth.

Dependency on government should never be looked on as a chance to build a political constituency. Those who were dependent on government through no fault of their own must always be provided for. But to the millions of Americans who want to end their own dependency, we must offer a better way to improve their lives and climb the economic ladder as high as their aspirations will take them.

There are people who are sharpening their pencils tonight to talk about this dinner and write about this dinner, and it will be listed as the ultimate in wealth and so forth. And we, of course, will be referred to as we are so often as the party of the rich. You know, that isn't what is—that isn't true. And that isn't what our party wants to be. No party, I guess, wants to be that. But I'll tell you what I think we can be proud of. We're the party that wants to see an America in which people can still get rich.

And that's what it all comes down to in the end. Yes, we have a real record of accomplishment. We've actually cut tax rates and the rate of growth in spending, something that American politicians have been promising for more than 20 years but somehow never delivered. But even more than that, we offer the American people what Franklin Roosevelt offered them in the 1930's—not the policies, of course, but hope—a way out and a way up, the hope of returning this country to the road of greatness that it once enjoyed.

Here is a formula for reelection, a program for America, a message that we can bring to the American people—Republicans, Democrats, and Independents alike—in this November, a message that with your help can win us the seats in the Senate and the House that we need to finish the job that we have so well begun.

We have a majority in the Senate, which we must keep. But do you realize that our opponents, virtually without exception—there's only one 2-year exception in 27 years—that they have controlled both Houses of the Congress, that they are responsible for the programs. They are responsible for the tax structure that took away incentive from both business and individuals. Can you imagine what it is like to go to bed at night in that public housing we live in and dream what it would be like to wake up one day soon and know that the administration was doing business with a House and a Senate that were both under the majority leadership of Republicans?

You know, when our friend, Pearl [Bailey] was singing the National Anthem tonight—I don't know or have heard all the national anthems of the world, but I do know this: The only anthem of those I do know that ends with a question is ours, and may it be ever thus. Does that banner still wave "o'er the land of the free and the home of the brave?" Yes, it does, and we're going to see that it continues to wave over that kind of a country.

Thank you, and God bless you.

Note: The President spoke at approximately 9:30 p.m. in the International Ballroom at the Washington Hilton Hotel.

Nomination of John A. Terry To Be an Associate Judge of the District of Columbia Court of Appeals

May 5, 1982

The President today announced the nomination of John A. Terry to be an Associate Judge of the District of Columbia Court of Appeals.

From 1969 to date, Mr. Terry has been the Chief, Appellate Division, United States attorney's office for the District of Columbia. In this position Mr. Terry has had responsibility for all appellate litigation involving the U.S. attorney's office in the Federal and local courts of the District of Columbia.

He received a B.A. (magna cum laude) from Yale University in 1954 and was elected to Phi Beta Kappa. He received a J.D. degree from Georgetown University in 1960, where he was on the board of editors of the Georgetown Law Journal.

Mr. Terry was engaged in private practice with the firm of Terry and Bennison, Washington, D.C., from 1968 to 1969. He was staff attorney for the National Commission on Reform of Federal Criminal Law from 1967 to 1968.

Mr. Terry was an assistant U.S. attorney for the District of Columbia from 1962 until 1967, and was employed as a research assistant with the U.S. Senate Select Commission on Improper Activities in the Labor or Management Field from 1957 until 1960, and Senate Permanent Subcommittee on Investigations from 1960 until 1962.

Mr. Terry has been active in bar association activities and has been a member of the board of governors of the District of Columbia Bar since 1977. He was born in Utica, N.Y., on May 6, 1933, and resides in Washington, D.C.

Statement by Deputy Press Secretary Speakes on the Assassination of Turkish Honorary Consul General Orhan Gunduz

May 5, 1982

President Reagan profoundly deplores the cowardly assassination of Turkish Honorary Consul General Orhan Gunduz in Massachusetts last night. He has directed Federal law enforcement agencies to take every appropriate measure in cooperation with local authorities in Massachusetts to apprehend those responsible for this vicious act.

The President is determined that the U.S. Government will provide no quarter for individuals or organizations engaged in terrorist activity. The Government and people of Turkey are our friends, and we join with them in mourning the loss of Consul General Gunduz and in condemning those responsible for his death.

Message on the Observance of Cinco de Mayo

May 5, 1982

I welcome this opportunity to join with the government and citizens of Mexico and Americans of Mexican ancestry in commemorating Cinco de Mayo.

May 5, 1862, holds a very special place in the hearts of all who cherish freedom.

On that day, in the battle of Puebla, General Ignacio Zaragoza led 2,000 Mexicans against an invasion force of 6,000 French troops who were on the march toward the capital of Mexico. After a long day of fighting against overwhelming odds, the Mexican patriots emerged victorious.

In ceremonies in the United States and Mexico, that victory of the Cinco de Mayo is remembered with great pride, for it testifies not only to the courage and patriotism of the Mexican people, but to the yearnings of citizens everywhere to live free of foreign domination.

RONALD REAGAN

Nomination of Walter Berns To Be a Member of the National Council on the Humanities

May 5, 1982

The President today announced his intention to nominate Dr. Walter Berns to be a member of the National Council on the Humanities, National Foundation for the Humanities, for a term expiring January 26, 1988. He would succeed Joe Bob Rushing.

He is currently serving as resident scholar at the American Enterprise Institute in Washington, D.C. He was a professor of political science at the University of Toronto. He was a member of the faculty at Cornell University in 1959–1969 and was an assistant professor of political science at Yale University in 1956–1959.

Dr. Berns graduated from the University of Iowa (B.S., 1941) and the University of Chicago (Ph. D., 1953). In addition, he did postgraduate work at Reed College (1948–1949) and the London School of Economics and Political Science (1949–1950). He is married, has three children, and resides in Bethesda, Md. He was born May 3, 1919.

Nomination of Charles H. Dallara To Be United States Alternate Executive Director of the International Monetary Fund

May 5, 1982

The President today announced his intention to nominate Charles H. Dallara to be United States Alternate Executive Director of the International Monetary Fund for a term of 2 years. He would succeed Donald E. Syvrud.

Since March 1981, he has been serving as Special Assistant to the Assistant Secretary of the Treasury for International Affairs. He was Special Assistant to the Under Secretary of the Treasury for Monetary Affairs in 1979–1980. He was also with the Department of the Treasury in 1976–1979, serving as international economist in the Office of International Monetary Affairs.

He graduated from the University of South Carolina (B.S., 1970), the Fletcher School of Law and Diplomacy (M.A., 1975; M.A.L.D., 1976) and is a Ph. D. candidate at the Fletcher School.

He is married, has one child, and resides in Annandale, Va. Mr. Dallara was born August 25, 1948.

Nominaton of Three Members of the Board of Directors of the Securities Investor Protection Corporation, and Designation of Vice Chairman

May 5, 1982

The President today announced his intention to nominate the following individuals to be members of the Board of Directors of the Securities Investor Protection Corporation. The President also announced his intention to designate Roger A. Yurchuck to be Vice Chairman.

Roger A. Yurchuck has been a partner with the firm of Vorys, Sater, Seymour and Pease in Columbus, Ohio, since 1973. He was also with the firm in 1962–1971. He was Acting Deputy Counsel to the President from January 1981 to February 1981 and special counsel in the office of the President-elect from November 1980 to January 1981. He was vice president, general counsel, Federal Home Loan Mortgage Corp., in 1971–1973. He has two children and resides in Columbus, Ohio. He was born June 9, 1938. He would succeed Adolph Phillip Schuman.

David F. Goldberg is general partner with Goldberg Brothers and Goldberg Securities, a private brokerage firm in Chicago, Ill. He was general partner with Geldermann and Co. in 1958–1969. He is married, has four children, and resides in Golf, Ill. He was born February 26, 1931. Mr. Goldberg would succeed Brenton H. Rupple.

Ralph D. DeNunzio has been president and chief executive officer of Kidder Peabody and Co., Inc., in New York City, since 1977. He has been with the firm since 1953, serving as executive vice-president in 1968–1977. He has been a member of the Securities Investor Protection Corporation since 1973. He is married, has three children, and resides in Riverside, Conn. He was born November 17, 1931.

Reappointment of Five Members of the Board of Directors of the Federal National Mortgage Association

May 5, 1982

The President today announced his intention to appoint the following individuals to be members of the Board of Directors of the Federal National Mortgage Association. They are all reappointments for terms ending on the date of the annual meeting of the stockholders in 1983.

Merrill Butler is president of Butler Housing Corp. in Irvine, Calif., and Bullard Homes Corp. in Fresno, Calif. He began his homebuilding career in 1956 when he founded the Butler-Harbour Construction Co. in Anaheim, Calif. He is president of the National Association of Home Builders and is a member of the advisory committee of the Federal Home Loan Mortgage Corporation. He graduated from the University of Southern California in 1948. He is married, has three children, and resides in Corona Del Mar, Calif. He was born February 18, 1925.

James B. Coles has been engaged as a general contractor and owner and chairman of the board of James B. Coles, Inc., and the Coles Development Co., Inc., in San Diego, Calif., since 1972. He is a member of the National Association of Home Builders and serves on the executive board and board of directors of San Diego State University. He graduated from San Diego State University (B.A., 1967). He is married, has two children, and resides in Del Mar, Calif. He was born September 29, 1941.

Bert A. Getz has been president and director of the Globe Corp., a family-owned holding company in Scottsdale, Ariz., since 1959. He has also served as director of the Arizona Bank since 1970 and the First National Bank of Winnetka since 1968. He graduated from the University of Michigan (B.B.A., 1959). He is married, has three children, and resides in Scottsdale, Ariz. He was born May 7, 1937.

Dianne E. Ingels is an independent real estate broker, investor, and consultant in Colorado Springs, Colo. She was president and broker of Ingels Co. in 1976–1977. She was a partner with Smartt-Ingels and Associates, Realtors, in 1968–1975. She was appointed to the Colorado Springs Urban Renewal Commission in 1972 and was elected chairman of the commission in 1974. She graduated from the University of Colorado (B.S., 1963) and New York University (M.S., 1964). She resides in Colorado Springs, Colo., and was born August 8, 1941.

James E. Lyon is currently chairman of the board and chief executive officer of the River Oaks Bank and Trust Co., the River Oaks Financial Corp., and Ruska Instruments Corp. He also is a member of the World Business Council, American Institute of Banking, Houston Bankers Association, National Board of Realtors, Texas Real Estate Association, Houston Board of Realtors, and the Houston Home Builders Association. Mr. Lyon attended Rice University and the University of Houston. He has three children and resides in Houston, Tex. He was born August 25, 1927.

Nomination of Two Members of the Federal Council on the Aging, and Designation of Chairman

May 5, 1982

The President today announced his intention to nominate the following individuals to be members of the Federal Council on the Aging. They are both reappointments. The President also announced his intention to redesignate Adelaide Attard to be Chairman.

Adelaide Attard, of New York, is presently Nassau County Commissioner and was a member of the National Advisory Committee, 1981 White House Conference on Aging.

Charlotte W. Conable, of New York, is presently coordinator of public policy projects, women's studies, George Washington University. She was a member of the National Advisory Committee, 1981 White House Conference on Aging.

Proclamation 4940—Import Fees on Certain Sugars, Sirups and Molasses

May 5, 1982

By the President of the United States

A Proclamation

1. The Secretary of Agriculture has advised me that he has reason to believe that certain sugars, sirups and molasses derived from sugar cane or sugar beets, classified under items 155.20 and 155.30, of the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202), are being, or are practically certain to be, imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or to materially interfere with, the price support operations being conducted by the Department of Agriculture for sugar cane and sugar beets. The Secretary of Agriculture has also advised me that he has reason to believe that the import fees imposed by Proclamation 4887 of December 23, 1981, should be modified in order to prevent the importation of the items described above from rendering or tending to render ineffective, or materially interfering with the price support operations being conducted by the Department of Agriculture for sugar beets and sugar cane.

2. I agree that there is reason for such beliefs by the Secretary of Agriculture. By Proclamation 4887 I requested the United States International Trade Commission to make an immediate investigation with respect to such matters pursuant to section 22 of the Agricultural Adjustment Act of 1933, as amended (7 U.S.C. 624), and to report its findings and recommendations to me as soon as possible. The United States International Trade Commission is presently conducting such an investigation, and has not yet submitted its report to me. I am therefore requesting that the United States International Trade Commission continue its investigation with respect to such matters and to report its findings and recommendations to me as soon as possible.

3. The Secretary of Agriculture has also determined and reported to me with regard to such sugars, sirups and molasses that a condition exists which requires emergency treatment and that the import fees hereinafter proclaimed should be imposed without awaiting the report and recommendations of the United States International Trade Commission.

4. I find and declare that the imposition of the import fees hereinafter proclaimed, without awaiting the recommendations of the United States International Trade Commission with respect to such action, is necessary in order that the entry, or withdrawal from warehouse for consumption, of certain sugars, sirups and molasses described below by value, use and physical description and classified under TSUS items 155.20 and 155.30 will not render or tend to render ineffective, or materially interfere with, the price support operations being conducted by the Department of Agriculture for sugar cane and sugar beets.

Now Therefore, I, Ronald Reagan, President of the United States of America, by the authority vested in me by section 22 of the Agricultural Adjustment Act of 1933, as amended, and the Statutes of the United States, including Section 301 of Title 3 of the United States Code, do hereby proclaim until otherwise superseded by law:

A. Headnote 4 of part 3 of the Appendix to the TSUS is continued in effect and amended, effective 12:01 a.m. (Eastern Daylight Time) of the day following the date of the signing of this Proclamation, by changing paragraph (c) to read as follows:

(c)(i) The quarterly adjusted fee provided for in items 956.05 and 957.15 shall be the amount of the fee for item 956.15 plus one cent per pound.

(ii) The quarterly adjusted fee provided for in item 956.15 shall be the amount by which the average of the adjusted daily spot (domestic) price quotations for raw sugar for the 20 consecutive market days immediately preceding the 20th day of the month preceding the calendar quarter during which the fee shall be applicable (as reported by the New York Coffee, Sugar and Cocoa Exchange) expressed in United States cents per pound, in bulk, is less than the applicable market stabilization price: *Provided,* That whenever the average of the daily spot (domestic) price quotations for 10 consecutive market days within any calendar quarter (1) exceeds the market stabilization price by more than one cent, the fee then in effect shall be decreased by one cent per pound, or (2) is less than the market stabilization price by more than one cent, the fee then in effect shall be increased by one cent per pound. The adjusted daily spot (domestic) price quotation for any market day shall be the daily spot (domestic) price quotation for such market day less the amount of the fee for item 956.15 that is in effect on that day.

(iii) The market stabilization price for the remainder of the second, and the third calendar quarters of 1982 shall be 19.8800 cents per pound. The market stabilization price that shall be applicable to each subsequent fiscal year shall be determined and announced by the Secretary of Agriculture (hereafter the "Secretary") in accordance with this headnote no later than 30 days prior to the beginning of the fiscal year for which such market stabilization price shall be applicable. The market stabilization price shall be equal to the sum of: (1) the price support level for the applicable fiscal year, expressed in cents per pound of raw cane sugar; (2) adjusted average transportation costs; (3) interest costs, if applicable; and (4) 0.2 cent. The adjusted average transportation costs shall be the weighted average cost of handling and transporting domestically produced raw cane sugar from Hawaii to Gulf and Atlantic Coast ports, as determined by the Secretary. Interest cost shall be the amount of interest, as determined or estimated by the Secretary, that would be required to be paid by a recipient of a price support loan for raw cane sugar upon repayment of the loan at full maturity. Interest costs shall only be applicable if a price support loan recipient is not required to pay interest upon forfeiture of the loan collateral.

(iv) The Secretary shall determine the amount of the quarterly fees in accordance with this headnote and shall announce such fees not later than the 25th day of the month preceding the calendar quarter during which the fees shall be applicable. The Secretary shall certify the amount of such fees to the Secretary of the Treasury and file notice thereof with the *Federal Register* prior to the beginning of the calendar quarter during which the fees shall be applicable. The Secretary shall determine and announce any adjustment in the fees made within a calendar quarter in accordance with the proviso of paragraph (ii) hereof, shall certify such adjusted fees to the Secretary of the Treasury, and shall file notice thereof with the *Federal Register* within 3 market days of the fulfillment of that proviso.

(v) If an adjustment is made in the fee in accordance with the proviso of paragraph (ii) hereof, any subsequent adjustment made within that quarter shall only be made on the basis of the average spot price for any 10 consecutive market day period following the effective date of the immediately preceding fee adjustment. No adjustment shall be made in any fee in accordance with the proviso of paragraph (ii) hereof during the last fifteen market days of a calendar quarter.

(vi) Any adjustment made in a fee during a quarter in accordance with the proviso of paragraph (ii) hereof shall be effective only with respect to sugar entered or withdrawn from warehouse for consumption after 12:01 a.m. (local time at point of entry) on the day following the filing of notice thereof with the *Federal Register: Provided,* That such adjustment in the fee shall not apply to sugar exported (as defined in section 152.1 of the Customs Regulations) on a through bill of lading to the United States from the country of origin before such time. The exemption contained in the preceding proviso shall apply regardless of whether the adjustment in the fee is upward or downward.

B. Items 956.05, 956.15 and 957.15 of part 3 of the Appendix to the TSUS are continued in effect and amended to read as follows:

Item	Articles	Rates of Duty (Section 22 Fees)
	Sugars, sirups and molasses derived from sugar cane or sugar beets, except those entered pursuant to a license issued by the Secretary of Agriculture in accordance with headnote 4(a):.	
	Principally of crystalline structure or in dry amorphous form, provided for in item 155.20 part 10A, schedule 1:.	
956.05	Not to be further refined or improved in quality.	5.0703 cents per lb. adjusted quarterly in accordance with headnote 4(c), but not in excess of 50% ad val.
956.15	To be further refined or improved in quality.	4.0703 cents per lb. adjusted quarterly in accordance with headnote 4(c), but not in excess of 50% ad val.
957.15	Not principally of crystalline structure and not in dry amorphous form, containing soluble nonsugar solids (excluding any foreign substance that may have been added or developed in the product) equal to 6% or less by weight of the total soluble solids, provided for in item 155.30, part 10A, schedule 1.	5.0703 cents per lb. of total sugars, adjusted quarterly in accordance with headnote 4(c), but not in excess of 50% ad val.

C. The provisions of this proclamation shall terminate upon the filing of a notice in the *Federal Register* by the Secretary of Agriculture that the Department of Agriculture is no longer conducting a price support program for sugar beets and sugar cane.

D. The fees established in paragraph B of this proclamation shall be adjusted on a quarterly basis beginning July 1, 1982. Such fees shall be adjusted on an intra-quarterly basis as provided by the proviso of paragraph (c)(ii) of Headnote 4 of part 3 of the Appendix to the TSUS, as added herein, beginning with any 10 consecutive market day period following the day this proclamation is signed.

E. The provisions of Proclamation 4887 of December 23, 1981 are hereby terminated, except with respect to those articles which are exempted from the provisions of this proclamation under paragraph F below.

F. This proclamation shall be effective as of 12:01 a.m. (Eastern Daylight Time) on the day following its signing. However, the provisions of this proclamation shall not apply to articles entered, or withdrawn from warehouse for consumption, prior to July 1, 1982, and which had been exported (as defined in section 152.1 of the Customs Regulation) on a through bill of lading to the United States from the country of origin prior to April 23, 1982.

In Witness Whereof, I have hereunto set my hand this 5th day of May, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 9:34 a.m., May 6, 1982]

Proclamation 4941—Modification of Quotas on Certain Sugars, Sirups and Molasses

May 5, 1982

By the President of the United States of America

A Proclamation

1. Headnote 2 of subpart A of part 10 of schedule 1 of the Tariff Schedules of the United States (19 U.S.C. 1202), hereinafter referred to as the "TSUS", provides, in relevant part, as follows:

"(i) . . . if the President finds that a particular rate not lower than such January 1, 1968, rate, limited by a particular quota, may be established for any articles provided for in item 155.20 or 155.30, which will give due consideration to the interests in the United States sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade, he shall proclaim such particular rate and such quota limitation, . . ."

"(ii) . . . any rate and quota limitation so established shall be modified if the President finds and proclaims that such modification is required or appropriate to give effect to the above considerations; . . ."

2. Headnote 2 was added to the TSUS by Proclamation No. 3822 of December 16, 1967 (82 Stat. 1455) to carry out a provision in the Geneva (1967) Protocol of the General Agreement on Tariffs and Trade (Note 1 of Unit A, Chapter 10, Part I of Schedule XX; 19 U.S.T., Part II, 1282). The Geneva Protocol is a trade agreement that was entered into and proclaimed pursuant to section 201(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1821(a)). Section 201(a) of the Trade Expansion Act authorizes the President to proclaim the modification or continuance of any existing duty or other import restriction or such additional import restrictions as he determines to be required or appropriate to carry out any trade agreement entered into under the authority of that Act.

3. I find that the quantitative limitations hereinafter proclaimed are appropriate to carry out the trade agreement described in paragraph 2 of this proclamation and the International Sugar Agreement, 1977 (31 U.S.T. 5135), and give due consideration to the interests in the United States sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade.

Now, Therefore, I, Ronald Reagan, President of the United States of America, by the authority vested in me by the Constitution and statutes, including section 201 of the Trade Expansion Act of 1962, section 301 of Title 3 of the United States Code, and the International Sugar Agreement, 1977, Implementation Act (P.L. 96–236, 94 Stat. 336), and in conformity with Headnote 2 of subpart A of part 10 of schedule 1 of the TSUS, do hereby proclaim until otherwise superseded by law:

A. Headnote 3 of subpart A, part 10, schedule 1 of the TSUS is modified to provide as follows:

3. (a) The total amount of sugars, sirups, and molasses described in items 155.20 and 155.30, the products of all foreign countries, entered, or withdrawn from warehouse for consumption, between May 11, 1982 and June 30, 1982, inclusive, shall not exceed, in

the aggregate, 220,000 short tons, raw value.

(b) Beginning with the third calendar quarter of 1982, the Secretary of Agriculture (hereafter the Secretary) shall establish for each calendar quarter the total amount (expressed in terms of raw value) of sugars, sirups, and molasses described in items 155.20 and 155.30, the products of all foreign countries, which may be entered, or withdrawn from warehouse for consumption, during such calendar quarter. The Secretary shall determine such amount, inform the Secretary of the Treasury of his determination, and file notice thereof with the *Federal Register* no later than the 15th day of the month immediately preceding the calendar quarter during which such determination shall be in effect. In determining such amounts the Secretary shall give due consideration to the interests in the United States sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade.

(c) The total amounts of sugars, sirups, and molasses permitted to be imported under paragraphs (a) and (b) of this headnote shall be allocated to the following supplying countries or areas in the following percentages:

	Country	*Percentage*
1.	Canada	1.1
2.	Guatemala	4.8
3.	Belize	1.1
4.	El Salvador	2.6
5.	Honduras	1.0
6.	Nicaragua	2.1
7.	Costa Rica	1.5
8.	Panama	2.9
9.	Jamaica	1.1
10.	Dominican Republic	17.6
11.	Colombia	2.4
12.	Guyana	1.2
13.	Ecuador	1.1
14.	Peru	4.1
15.	Brazil	14.5
16.	Argentina	4.3
17.	Thailand	1.4
18.	Philippines	13.5
19.	Taiwan	1.2
20.	Australia	8.3
21.	Mauritius	1.1
22.	Mozambique	1.3
23.	Rep. S. Africa	2.3
24.	Swaziland	1.6
25.	Other specified countries and areas	5.9
		100.0

The category "Other specified countries and areas" shall consist of the following: Mexico, Haiti, Barbados, Trinidad-Tobago, Bolivia, Paraguay, France, India, Anguilla, Antigua, Dominica, Grenada, Saint Lucia, Saint Vincent and the Grenadines, Montserrat, Saint Christopher-Nevis, British Virgin Islands, Fiji, Tonga, Nauru, Malagasy Republic, Zimbabwe and Malawi.

Notwithstanding the allocation provisions set forth above, the Secretary may, after consultation with the U.S. Trade Representative, the Department of State, and the Department of the Treasury, issue regulations modifying the allocation provisions governing "Other specified countries and areas" if the Secretary determines that such modifications are appropriate to provide such countries and areas reasonable access to the United States sugar market. Such regulations may, among other things, provide for the establishment of minimum quota amounts, the establishment of quota periods other than quarterly periods, and the carrying forward of unused quota amounts into subsequent quota periods.

(d) The Secretary, after consultation with the U.S. Trade Representative and the Department of State, may suspend the allocation provisions of paragraph (c), or may establish quantitative limitations for periods of time other than calendar quarters as provided in paragraph (b), if the Secretary determines that such action or actions are appropriate to give due consideration to the interests in the United States sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade. The Secretary may reinstate the allocation provisions of paragraph (c), or may amend any quantitative limitations (including the time period for which such limitations are applicable) which have previously been established under this paragraph or paragraph (b), if the Secretary determines that the considerations set forth in the previous sentence so warrant. The Secretary shall inform the Secretary of the Treasury of any determination made under this paragraph. Notice of such determinations shall be filed with the *Federal Register*, and such determinations shall not become effective until the day following the date of filing of such notice or such later date as may be specified by the Secretary.

(e) The U.S. Trade Representative or his designee, after consultation with the Department of Agriculture and the Department of State, may modify the allocation provisions of paragraph (c) (including the deletion or addition of any country or area), and may prescribe further rules, limitations or prohibitions on the entry of sugar if he finds that such actions are appropriate to carry out the obligations of the United States under the International Sugar Agreement, 1977, or any successor agreement thereto, and that such actions give due consideration to the interests in the United States sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade. If the U.S. Trade Representative takes any such action, he shall so inform the Secretary of the Treasury and the Secretary of Agriculture and shall publish notice thereof in the *Federal Register*. Such action shall not become effective until the day following the date of filing of such notice or such later date as may be specified by the U.S. Trade Representative.

(f) The Secretary shall, in consultation with the U.S. Trade Representative, the Department of State, and other concerned agencies, review the operation of this headnote prior to September 1 of each year. In making such review, the Secretary shall determine whether the continued operation of paragraphs (b), (c), (d), and (e) of this headnote gives due consideration to the interests in the United States sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade, and whether the operation of paragraph (g) of this headnote would give due consideration to such interests. The Secretary shall file a notice of such determinations in the *Federal Register* no later than September 1 of each year. If the Secretary determines that the continued operation of paragraphs (b), (c), (d), and (e) of this headnote would not give due consideration to the interests in the United States sugar market of domestic producers and materially affected contracting parties to the General Agreement on Tariffs and Trade, and that the provisions of paragraph (g) of this headnote would give due consideration to such interests, paragraphs (b), (c), (d), and (e) of this headnote shall terminate as of the first day of October following such determinations.

(g) If paragraphs (b), (c), (d), and (e) of this headnote are terminated under the provisions of paragraph (f) of this headnote, the total amount of sugars, sirups, and molasses described in items 155.20 and 155.30, the products of all foreign countries, entered, or withdrawn from warehouse for consumption, in any fiscal (October 1–September 30) year shall not exceed, in the aggregate, 6,900,000 short tons, raw value. The U.S. Trade Representative or his designee may allocate this quantity among supplying countries or areas, and may prescribe further rules, regulations, limitations or prohibitions on the entry of sugar in accordance with the International Sugar Agreement, 1977, and Public Law 96–236. The U.S. Trade Representative or his designee shall inform the Commissioner of Customs of any such action regarding the importation of sugar, and shall publish notice thereof in the *Federal Register*.

(h) For the purposes of this headnote, the term *"raw value"* means the equivalent of such articles in terms of ordinary commercial raw sugar testing 96 degrees by the polariscope as determined in accordance with regulations issued by the Secretary of the Treasury. Such regulations may, among other things, provide: (1) for the entry of such articles pending a final determination of polarity; and (2) that positive or negative adjustments for differences in preliminary and final raw values be made in the same or succeeding quota periods. The principal grades and types of sugar shall be translated into terms of raw value in the following manner:

(i) For articles described in item 155.20, by multiplying the number of pounds thereof by the greater of 0.93, or 1.07 less 0.0175 for each degree of polarization under 100 degrees (and fractions of a degree in proportion).

(ii) For articles described in item 155.30, by multiplying the number of pounds of the total sugars thereof (the sum of the sucrose and reducing or invert sugars) by 1.07.

(iii) The Secretary of the Treasury shall establish methods for translating sugar into terms of raw value for any special grade or type of sugar for which he determines that the raw value cannot be measured adequately under the above provisions.

B. Those parts of Proclamation 4334 of November 16, 1974, Proclamation 4610 of November 30, 1978, Proclamation 4663 of May 24, 1979, and Proclamation 4770 of July 1, 1980, which are inconsistent with the provisions of paragraph (A) above, are hereby terminated.

C. The provisions of this Proclamation shall be effective as of May 11, 1982. However, the quantitative limitations imposed by paragraphs (a) and (c) of Headnote 3 of subpart A, part 10, schedule I of the TSUS, as modified herein, shall not apply to articles entered, or withdrawn from warehouse for consumption, prior to July 1, 1982, which were exported (as defined in section 152.1 of the Customs Regulations) on a through bill of lading to the United States from the country of origin prior to April 23, 1982.

In Witness Whereof, I have hereunto set my hand this 5th day of May, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 9:35 a.m., May 6, 1982]

Statement on United States Imports of Sugars, Sirups, and Molasses

May 5, 1982

I have today proclaimed an emergency import quota program to manage sugar imports into the U.S. market.

This action is necessary to defend the domestic sugar support program mandated by Congress last year and prevent massive imports which could displace domestic sugar and require the U.S. Government to purchase sugar at a cost of up to $400 million. The action is precipitated by our inability to defend the domestic program with duties and fees alone in view of a continued sharp drop in the world sugar price, now below 9 cents a pound. The world price has fallen 30 percent in 4 months in the face of a prospectively large world crop.

The administration has taken a number of steps to maintain the domestic price of sugar since the enactment of the price support program by Congress in December. On December 23, I proclaimed an import system, including import duties and fees, under authority of section 22 of the Agricultural Adjustment Act of 1933 as amended. On April 1, import fees were adjusted upward, based on a 20-day world average price of 11.69 cents for late February and early March. On April 23, import fees were increased by an additional 1 cent.

The ability to use import fees under section 22 is limited, however, by a statutory restriction on the level of fee that can be applied. At present depressed world prices, this level is inadequate to prevent imports from coming into the domestic market at a price below the domestic support price mandated by current law.

The quotas will be applied non-discriminatorily on an historical basis. The Presidential proclamation will provide for quotas to be apportioned among exporting countries according to percentage performance of those countries in 1975–1981, a period during which no restrictive quotas were in effect. Each country's high and low years will be excluded in order to assure a fair and representative allocation of quotas.

The size of the total quota will be determined and announced quarterly by the Secretary of Agriculture. The present import duty of 2.8 cents a pound, raw basis, will be continued. The section 22 import fees will be continued but will be adjusted as our domestic price responds to the quota.

The objective is to defend the domestic price support program by creating a market situation that will enable U.S. beet and cane producers to sell in the market rather than forfeiting their production to the Commodity Credit Corporation. The interests of foreign suppliers are also protected since this system provides such suppliers reasonable access to a stable, higher priced U.S. market.

In arriving at this decision, we have taken fully into account the Caribbean Basin Initiative. The historical formula chosen to allocate quotas among countries fully reflects the traditional role of Caribbean Basin countries in our sugar market.

In separate action, steps are also being taken to provide Caribbean Basin sugar producers with additional financial assistance during the remainder of this year beyond that already proposed in the Caribbean Basin Initiative legislation and normal budget requests.

Remarks and a Question-and-Answer Session With Reporters on Fiscal Year 1983 Federal Budget Legislation

May 6, 1982

The President. I know you're all wondering why we asked you here.

Last Thursday evening I told the American people that the road to economic recovery begins with a responsible budget now. I pledged to them my personal all-out commitment to work with the Members of both Houses of Congress on both sides of the aisle to break the budget deadlock, and we've been doing that continuously. And last night, in cooperation with the Senate Budget Committee, we took an important step toward the balanced and fair compromise the American people want and our economy needs.

We reached agreement on a 3-year deficit reduction package totaling $416 billion. Two-thirds of the amount will come from spending reductions and interest savings, only 23 percent from revenue increases; and while we realize no compromise can please everyone, this one meets the most important criteria. It will continue to bring down the growth in Federal spending.

It should measure financial markets—or reassure, I should say, financial markets by sharply reducing projected deficits next year and in the years beyond. It will preserve our commitment to a stronger defense and to the all-important incentives to broaden the tax base by stimulating more savings, investment, production, risk-taking, and growth in the private economy.

Let me emphasize one other point. This package includes measures to restore the solvency of the Social Security Trust Fund. But as I promised the American people, social security beneficiaries will receive their full 7.4-percent cost-of-living increase in July, and we will continue to protect the basic benefits of social security recipients in the future.

And now with me this morning are some of the key leaders in the Congress that we've been working with in the past few weeks. And with their great leadership and the leadership of many others from both parties, I believe we can put our country firmly on the road to economic prosperity. And I'm going to turn around and say thanks to these gentlemen right now for being here. Pete?

Senator Domenici. Thank you, Mr. President.

Social Security

Q. Mr. President, $40 billion out of the social security. How are you going to make that up?

Q. Mr. President, $40 billion out of social security——

The President. Whoops, wait a minute.

Q. How can you do it, Mr. President?

The President. That figure——

Q. How can you do that without cutting benefits? You've said you won't cut benefits.

The President. No, that figure is a plug that is simply put in there based on—you'll remember, there is a task force working, a bipartisan task force, on restoring the solvency of social security, the integrity of it which we told the people a year ago was lacking. And, at that time, this was rejected, and there were people who told us in the debate that, oh, there was no danger to the system. They now recognize, yes, there is.

We have put in that figure as what will be necessary in the restructuring of the program in order to restore solvency to the program.

Q. Mr. President, why wait until January the 1st, sir? Why can't you put Alan Greenspan in a dark room and lock the door like Lyndon Johnson did and tell him to go to work now and finish his study?

The President. They are going to work now, and they are working. It's——

Q. Can't you make him do it quicker?

The President. Well, we gave them till December 31st. If they come in with something earlier, we'll be very happy about it. But that still allows us time——

Q. Can you assure that there will be no cuts in social security benefits in the future?

The President. I have said to the delegates that I appointed to that task force that the people who are now dependent on social security must be assured that they're going to continue to get their benefits.

Q. Aren't you passing the social security buck until after the elections, sir?

The President. No, that was decided back when the bipartisan agreement came to have a task force, a bipartisan task force. We made an effort last year to restore the solvency, and if you'll remember, it was made into a political football—and not by our doing—and it guaranteed the continued benefits as they are to the people under——

Q. [*Inaudible*]—Mr. President, to make the system solvent, the $40 billion has to come from somewhere, doesn't it?—either from increased revenues or from decreased benefits.

The President. No, it could come from an entire restructuring of the program, actuarially looking back down toward people who are just beginning in the program. As you know, there is a gigantic increase in social security tax built into the system past—well, it went into effect in '78. We had one increase in the payroll tax in January. There will be two more in the next few years that are scheduled to take place. And the task force is supposed—and that does not restore the solvency, even though the promise was made by the previous administration that that guaranteed the program's solvency until the year 2015. It didn't even guarantee it beyond 1984.

Tax Revenues

Q. Mr. President, you've said repeatedly that you wouldn't balance the budget on the backs of the taxpayer——

The President. That's right.

Q. ——but you've now, apparently, agreed to large, new taxes that the taxpayers will have to pay one way or the other—the American public. What made you change your mind?

The President. No, if you'll remember, the original budget proposal we made proposed $13 billion of additional revenues, not necessarily in tax increases, but in changes in the tax structure, advantages that people were getting that we did not believe had ever been intended in the structure. And all we've done is come up on the first year 7 billion on that. Now, that does amount to, as that goes on——

Q. But over the 3-year period, sir.

The President. Over the 3-year period—when you institute something in 1 year, then that continues and is reflected in the growth of the economy in the years to come, just as the—but the main thing——

Q. Well, what's the figure you've agreed to in 3 years? Do you know?

The President. It will be—it's 20 and 35 and 40 in the third year.

Q. That adds up to $75 billion.

The President. No, $95 billion.

Q. $95 billion—my math's a little off. Well, isn't that a large tax increase the American public will have to pay, sir?

The President. Not when you stop to think that maintaining our present tax cuts, as we will, that that amounts to the $358 billion tax cut over the 3 years.

Now, these—the things that we're considering are not the kind of things that are going to impinge on the incentive features of the way we have built in the business tax cuts and the individual income tax cuts.

Q. Will you slip your 3-year tax cuts or your third year tax cuts?

The President. No. That remains intact.

Q. And indexing won't be slipped?

The President. Indexing will not be slipped.

Q. Sir, are you now conceding what the Democrats have been saying all along, which was that last year's tax cut was simply too big?

The President. No, not at all. I am suggesting that the fact that we have inflation virtually down to zero and that it's come down that fast—and other factors in the economy that indicate that the recession is bottoming out indicate that we would have been better off economically right now if they had not made us compromise and if the tax cut had been retroactive to January 1st, 1981, and had been 10 percent, not 5. We really are not beginning our tax cuts in reality to have an effect on the economy until this first July tax cut.

Let me, if I could, also say something else to many of you. You seem to have been confused about something and have referred a number of times that the budget that we first presented in February was a budget that included a $182 billion deficit for '83 and then increasing deficits beyond. Let me make something plain. The deficit figures are the figures if nothing is done. They were not—in other words, our original budget proposal would have vastly reduced those deficits. But many of you have continued to refer that our budget proposal contained a $182 billion deficit. It did not.

U.K.-Argentine Conflict

Q. Mr. President, could I ask a question, please, on the Falkland Islands situation? I wondered if you would comment and give us your assessment, sir, about whether the United States has a creditable role yet to play as an honest broker in that we've come down on the side very clearly of Great Britain rather than Argentina?

The President. Well, we stand willing, as we always have been, to achieve a peaceful settlement under the conditions of Security Council Resolution 502, which calls for both a ceasefire and a withdrawal. And I'm not going to single out any particular approach that we're pursuing, but we're open to every approach that can. We now have the help of the President of Peru who has involved himself in these negotiations.

We'll do whatever we can to help, but it must be within that framework.

Q. Mr. President——

Q. Mr. President——

The President. Wait a minute, I promised him.

Q. On the Falklands——

Deputy Press Secretary Speakes. This'll have to be the last question, too, Jerry [Gerald E. Udwin, Westinghouse Broadcasting Co.], please.

Q. ——I think there is some concern that the Falklands could escalate into a greater war and some concern even that it could involve, eventually, the United States and the Soviet Union. What steps have you taken, if any, to try to head that off from happening—such as contacts, perhaps, directly or otherwise, with the Soviet Union?

The President. Frankly, I do not see the danger of this escalating to that extent. And the steps that we are taking are the steps that we've always been taking, and that is seeking within, as I say, the U.N. framework, this kind of a resolution that calls for ceasefire and calls for withdrawal of all forces, while this is done. Now, so far, there has not been agreement on that.

Q. Mr. President, are you committed to——

Mr. Speakes. I'm sorry. Let's take Lou [Lou Cannon, Washington Post], and no more, please.

Social Security

Q. Are you committed to following what that commission advocates at the end of the year, even if that means cutting the cost-of-living increases of social security recipients?

The President. Well, this is one—no, I have to say, there, I'm on record, and I don't think they would do that. I don't think that the people who are dependent on social security should be frightened any more than they have been by the political demagoguery that's been going on about this issue. The people who are presently dependent on social security must be assured that they're going to continue to get their benefits.

Mr. Speakes. Thank you.

FY 1983 Budget Plan

Q. Will the Democrats buy this plan that the Republicans have agreed on now in the Senate?

The President. This plan?

Q. What if they don't buy it, sir? You can't pass it without them, can you?

The President. Well, it'll be rather difficult for them to explain how they did not want to be a party to a plan that was going to reduce the 3-year deficit by $416 billion and would give us deficits that would go down from $106 in this first year to 69 next year, and to 39 in 1984, with a continuing line downward that makes certain a balanced budget in the next several years.

Q. You're trying to make the Democrats the fall guys. You'd say the Democrats had caused the recession to continue if they don't agree to this.

The President. If they can come up with a better proposal or one that will do this, we'll be very willing to listen. We want to work with everybody on this.

Q. Are you going to negotiate?

The President. What?

Q. Are you going to bring in the Boll Weevils and start trying to build your own coalition?

The President. My goal from the very first, and the reason for "The Gang of 17" and everything else, was that I believe the American people, in this time of economic distress, should have had the assurance of seeing the Democrat and Republican leadership in the Congress and this administration stand before them together and say that we have agreed on a plan to help cure this recession and reduce these deficits. And so far we have not been able to bring that about. But we are going to continue to try.

Mr. Gergen.[1] Thank you very much, Mr. President.

Q. Why do you call them the "Gang of 17"?

The President. What?

Q. Why do you call them the "Gang of 17"?

The President. They named themselves that. There were 17, and they began naming themselves after they got to about 13 meetings as "The Gang of 17."

Q. You know what happened to the Gang of Four in China. [*Laughter*]

The President. Well, but as I told Sarah [Sarah McClendon, McClendon News Service] one day, you know a sweet guy like me wouldn't—[*laughter*].

Note: The President spoke at 11:17 a.m. in the Rose Garden at the White House.

[1] *David R. Gergen is Assistant to the President for Communications.*

Appointment of 15 Members of the Advisory Panel on Financing Elementary and Secondary Education

May 6, 1982

The President today announced his intention to appoint the following individuals to be members of the Advisory Panel on Financing Elementary and Secondary Education.

Walter R. Beer, Jr., is a business manager in Windsor, Vt. He resides in Poultney, Vt., and was born September 30, 1926. He would succeed Charles S. Benson.

Joseph P. Dano is principal of the Mid-Pacific Intermediate School in Honolulu, Hawaii. He resides in Honolulu and was born March 10, 1941. He would succeed Theodore M. Black.

Richard M. Dellinger is serving as a State representative in Indiana. He resides in Noblesville, Ind., and was born February 18, 1936. He would succeed John E. Coons.

Richard M. Eyre is president of R. M. Eyre and Associates in Salt Lake City, Utah. He resides in Salt Lake City and was born October 28, 1944. He would succeed Joseph O. Garcia.

Warren K. Hall is an English teacher at Shattuck School in Faribault, Minn., where he resides. He was born December 17, 1927. He would succeed Bob Graham.

Dr. Claudia H. Hampton is retired. She was adjunct professor at Pepperdine University. She resides in Los Angeles, Calif. Dr. Hampton would succeed Terry Herndon.

Paul R. Hess is serving as State senator in Kansas. He resides in Wichita, Kans., and was born August 29, 1948. He would succeed Edward T. Hughes.

Jane G. Hunter is a homemaker in Clemson, S.C. She was born January 24, 1931. She would succeed Victoria Lederberg.

Judith E. Madonia has been a teacher with the Springfield public school system since 1961. She resides in Springfield, Ill., and was born September 25, 1939. She would succeed Albert Shanker.

Connaught C. Marshner is director of Family Policy Division for the Free Congress Research and Education Foundation in Washington, D.C. She resides in Springfield, Va., and was born June 26, 1951. She would succeed James A. McDermott.

Clark Maxwell, Jr., is serving as State senator in Florida. He resides in Melbourne, Fla., and was born August 21, 1934. He would succeed Carl Sharif.

Wiley Mitchell is serving as State senator in Virginia. He also is general solicitor for Southern Railways. He resides in Alexandria, Va., and was born July 23, 1932. He would succeed William Simmons.

Nicholas M. Nikitas is president of Nikitas Family Inns Property Development, Management and Operations, in Worcester, Mass. He resides in Boston, Mass., and was born February 26, 1950. He would succeed Margaret C. Simms.

Dr. Max Rafferty is holder of the Distinguished Chair in Education at Troy State University. He resides in Troy, Ala., and was born May 7, 1917. He would succeed Carolyn Warner.

Henry M. Ramirez is with INTEP in Los Angeles, Calif. He resides in Beverly Hills and was born May 4, 1929. He would succeed Dorothy L. Mattison.

Remarks at a White House Ceremony in Observance of National Day of Prayer

May 6, 1982

We thank the Chaplain of the Senate for that blessing. It's an inspiration for me to see all of you—Protestants, Catholics, members of the Jewish faith, and others who are gathered here at our national home to pay homage to the God in whom we trust.

Many of you are leaders in your faith; others are active in your communities, your professions, or are among our elected representatives. But all of us are here with a common purpose: to observe on National Day of Prayer, a tradition that was begun by the Continental Congress—that the first Thursday of May would be such a day.

Prayer has sustained our people in crisis, strengthened us in times of challenge, and guided us through our daily lives since the first settlers came to this continent. Our forebearers came not for gold, but mainly in search of God and the freedom to worship in their own way.

We've been a free people living under the law, with faith in our Maker and in our future. I've said before that the most sublime picture in American history is of George Washington on his knees in the snow at Valley Forge. That image personifies a people who know that it's not enough to depend on our own courage and goodness; we must also seek help from God, our Father and Preserver.

Abraham Lincoln said once that he would be the most foolish man on this footstool we call Earth, if he thought for one minute he could fulfill the duties that faced him if he did not have the help of One who was wiser than all others.

The French philosopher Alexis de Tocqueville, visiting America a hundred and fifty years ago, marveled at Americans because they understood that a free people must also be a religious people. "Despotism," he wrote, "may be able to do without faith, but freedom cannot."

Today, prayer is still a powerful force in America, and our faith in God is a mighty source of strength. Our Pledge of Allegiance states that we are "one nation under God," and our currency bears the motto, "In God We Trust."

The morality and values such faith implies are deeply embedded in our national character. Our country embraces those principles by design, and we abandon them at our peril. Yet in recent years, well-meaning Americans in the name of freedom have taken freedom away. For the sake of religious tolerance, they've forbidden religious practice in our public classrooms. The law of this land has effectively removed prayer from our classrooms.

How can we hope to retain our freedom through the generations if we fail to teach our young that our liberty springs from an abiding faith in our Creator?

Thomas Jefferson once said, "Almighty God created the mind free." But current interpretation of our Constitution holds that the minds of our children cannot be free to pray to God in public schools. No one will ever convince me that a moment of voluntary prayer will harm a child or threaten a school or State. But I think it can strengthen our faith in a Creator who alone has the power to bless America.

One of my favorite passages in the Bible is the promise God gives us in second Chronicles: "If my people, which are called by my name, shall humble themselves and pray and seek my face and turn from their wicked ways, then will I hear from heaven and will forgive their sin and will heal their land."

That promise is the hope of America and of all our people.

Because of my faith in that promise, I'm particularly pleased to be able to tell you today that this administration will soon submit to the United States Congress a proposal to amend our Constitution to allow our children to pray in school. No one must ever be forced or coerced or pressured to take part in any religious exercise, but neither should the government forbid religious practice. The amendment we'll propose will restore the right to pray.

I thank you all for coming here today and for the good work that you do for our people, our country, and our God every day of the year. But I also hope that I can count on your help in the days and months ahead as we work for passage of this amendment.

Changing the Constitution is a mammoth task. It should never be easy. But in this case, I believe we can restore a freedom that our Constitution was always meant to protect. I have never believed that the oft-quoted amendment was supposed to protect us from religion. It was to protect religion from government tyranny.

Together, let us take up the challenge to reawaken America's religious and moral heart, recognizing that a deep and abiding faith in God is the rock upon which this great Nation was founded.

Thank you all again, as I say, for being here. And God bless you all.

Note: The President spoke at 3:08 p.m. at *the ceremony in the Rose Garden at the White House. The ceremony was attended by leaders of religious and civic organizations and several Members of the Congress. The invocation was given by Dr. Richard Halverson, Chaplain of the United States Senate.*

Message to the Congress Reporting on Developments Concerning the Declaration of a National Emergency With Respect to Iran

May 6, 1982

To the Congress of the United States:

Pursuant to Section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. Section 1703(c), I hereby report to the Congress with respect to developments since my report of September 22, 1981, concerning the national emergency with respect to Iran that was declared in Executive Order No. 12170 of November 14, 1979.

1. The Iran-United States Claims Tribunal provided for in the Claims Settlement Agreement of January 19, 1981 has been established at The Hague in the Netherlands. Some 5,000 claims were filed with the Tribunal by the January 19, 1982, deadline. These included 2,795 "small" claims (less than $250,000 each) of U.S. nationals and 18 "official" claims of the U.S. against Iran. Although the Tribunal has not yet completed its initial processing of all the claims, it now appears that there are, in addition, some 630 "large" claims, in the amount of $250,000 or more each, of U.S. nationals against Iran and as many as 1500 claims by Iran against the U.S. and its nationals. The Department of State, with the assistance of the Departments of the Treasury and Justice and other concerned government agencies, is coordinating the United States response to the Iranian claims and is preparing to assist U.S. nationals with claims against Iran.

2. Four important issues, concerning the $1 billion Security Account established in the Netherlands Settlement Bank to pay Tribunal awards, which were not resolved in negotiations with Iran were referred to the Claims Tribunal. Written submissions have been made and oral arguments have been heard. The Tribunal may decide these issues within the next few weeks. These issues concern (1) the disposition of the interest accruing on the funds in the Security Account; (2) indemnification of the Settlement Bank of the Netherlands and its parent, the Netherlands Central Bank, as manager of the funds deposited with the Settlement Bank, against any claims relating to the Security Account; (3) payment of the administrative fees of the Settlement Bank; and (4) payment of settlements with U.S. claimants worked out directly between the U.S. claimants and Iran.

3. Since my report submitted to Congress last fall, there have been no major regulatory amendments or transfers of assets by or through the U.S. government under the January 19, 1981 agreements with Iran. However, I attach herewith three excerpts from the *Federal Register* that deal with the Iranian Assets Control Regulations. The first is a notice reminding U.S. account parties, on whose behalf standby letters of credit were issued by U.S. banks in favor of Iran or Iranian entities, of the January 19, 1982 deadline for filing claims with the Claims Tribunal. The second is an amendment to the Iranian Assets Control Regulations which amends the licensing procedure for account party establishment on company books of substitute blocked accounts in favor of Iran, in lieu of payments by banks to Iran under standby letters of credit in favor of Iran. The amendment provides extra time for obtaining a license or for establishment of such substitute blocked accounts by account parties in cases involving court orders barring payments to Iran under standby letters of credit.

Also attached is the amendment to the Iranian Assets Control Regulations that appeared in the *Federal Register* on December 7, 1981. It required U.S. banking institutions to register with the Office of Foreign Assets, Department of the Treasury, if they intended to assert claims against the escrow account at the Bank of England that was established with the deposit of $1.4 billion in January 1981. That account was established pursuant to Paragraph 2(B) of the January 19, 1981 Undertakings of the Governments of Iran and the United States, primarily for the purpose of paying non-syndicated debt claims of U.S. banks against Iran. The list of banks that registered was provided to Iran to facilitate the settlement of those bank claims against Iran.

4. Over the last six months, there have been several technical discussions with officials of Iran in The Hague concerning various aspects of the implementation of the agreements of January 19, 1981. These meetings have contributed to a better understanding of the differences between our two governments and the ways in which they might be resolved. We are continuing to explore ways in which the Tribunal's arbitral process can be made more efficient.

5. Several financial and diplomatic aspects of the crisis with Iran have not yet been resolved and continue to present an unusual and extraordinary threat to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to deal appropriately with these problems and will continue to report periodically to Congress on significant developments.

RONALD REAGAN

The White House,
May 6, 1982.

Note: The attachments transmitted with the report are printed in the following issues of the Federal Register *: Monday, Dec. 7, 1981 (vol. 46, no. 234, p. 59939), Tuesday, Jan. 5, 1982 (vol. 47, no. 2, p. 366), and Tuesday, March 23, 1982 (vol. 47, no. 56, p. 12339).*

Nomination of Peter E. Voss To Be a Governor of the United States Postal Service

May 7, 1982

The President today announced his intention to nominate Peter E. Voss to be a Governor of the United States Postal Service for a term expiring December 8, 1990. He would succeed Hung Wai Ching.

Mr. Voss is currently chief executive officer and president at Northeastern, Inc., in Canton, Ohio. He founded the company in 1954. He was Executive Director and Chairman of the National Finance Committee for the 1970 White House Conference on Children and Youth. He is a member of the Chief Executives Forum, an international group of senior executives; a member of the World Business Council; and past director, chapter chairman, education chairman, and leadership activities chairman of the Young Presidents' Organization.

He attended Kenyon College and is a graduate of Harvard Business School's industrial management course. He is married, has three children, and resides in Canton, Ohio. He was born September 13, 1930.

Appointment of Three Members of the President's Committee on the National Medal of Science, and Designation of Chairman

May 7, 1982

The President today announced his intention to appoint the following individuals to be members of the President's Committee on the National Medal of Science for terms expiring December 31, 1984. The President also announced his intention to designate William L. Mills to be Chairman.

William L. Mills is currently associate professor of environmental engineering at Vanderbilt University. He was associate professor of environmental health sciences and engineering at North Carolina Central University in 1973–1977. He graduated from Alcorn State University (B.S., 1967), Tuskegee Institute (M.S., 1969), and the University of Kansas (Ph. D., 1973). He is married, has two children, and resides in Nashville, Tenn. He was born November 20, 1944. He would succeed Mary L. Good.

Perry Adkisson is serving as deputy chancellor for agriculture and distinguished professor of entomology, department of entomology, at Texas A&M University. He has been with Texas A&M University since 1958, serving as vice president for agriculture and renewable resources in 1978–1980. He was head, department of entomology, in 1967–1978 and professor, department of entomology, in 1963–1967. He graduated from the University of Arkansas (B.S., 1950; M.S., 1954) and Kansas State University (Ph. D., 1956). He is married, has one child, and resides in Bryan, Tex. He was born March 11, 1929. He would succeed Calvin C. Moore.

Naomi J. McAfee is manager, design assurance and operations, Defense and Electronics Systems Center, at Westinghouse Electric Corp. She has been with Westinghouse Electric Corp. since 1955 and was executive assistant to the general manager of the systems and technology divisions in 1977–1979. She was director of corporate strategic resources in 1976–1977 and was engineering manager, quality and reliability assurance, in 1973–1976. She graduated from Western Kentucky State College (B.S., 1956). She is married and resides in Baltimore, Md. She was born October 27, 1934. She would succeed Dorothy M. Simon.

Exchange With Reporters on Domestic and Foreign Policy Issues

May 7, 1982

Q. Mr. President, is it fair to blame this unemployment rate on your policies?

The President. No, they can't blame it on our policies. And I can tell them how that they can turn that around. Remember, those are the seasonally adjusted figures that have been used for this percentage. But if they want to turn it around, let the Democrats in the House and the Senate join us in adopting the budget that was passed out of the Senate Budget Committee; let us get that spending down. They do that, and not only will unemployment turn around and come down but so will interest rates, and this economy will get moving again.

Q. Democrats say your budget hurts the poor and it's cruel and it's going to cut the people off who really need the help.

The President. Yeah, and the single word for that is "demagoguery," because at no point have we ever cut the budget below what they were the previous year. And this one is not cut below the previous year. It represents a 5-percent increase over the previous year.

Q. Are you concerned that the British have extended their zone around the Falklands to within 12 nautical miles of Argentina?

The President. Well, I'm concerned, of course. But I don't——

Q. [*Inaudible*]

The President. I don't know. But I don't want violence to break out again. I'm hoping that we can have this ceasefire and the removal of all forces. So far I understand, that it is Argentina that is holding back on withdrawing their forces.

Q. Mr. President, have you made decisions on START? For example, have you talked to the Russians about a possible meeting in July in Geneva?

The President. We are—there are communications going on, and I will be speaking about this Sunday at Eureka College.

Q. Will we let the British have a refueling aircraft so they can refuel their Nimrods?

The President. I don't know of any plans or any decisions that have been made about things like that.

Q. Well, you make the decision.

The President. What?

Q. You make the decision.

The President. Yes, but nothing has been presented to me in that line so far.

Deputy Press Secretary Speakes. Thank you.

Q. Don't fall off the horse.

The President. But if you want to tell the Democrats, again, there's one way to get this economy back in business, and it's in their hands.

Q. Their economy, not yours?

The President. What?

Q. It's their economy, not yours?

The President. No, it's just that they're being obstructionists now.

Q. But they say you're going to cut social security. That's what they're saying. They say you're going to cut social security.

The President. Glad you mentioned that. They know better. And that is true demagoguery again.

There is nothing in the budget—and I will guarantee everyone getting social security that they're going to get every penny, plus, on July 1st, they will get a 7.4-percent cost-of-living increase. There has been no proposal to cut social security, and those who were saying it in the Congress today know that.

Q. What happened to this bipartisan spirit, this work—live-and-let-live bipartisanism?

The President. I think the only bipartisan spirit I have is with a horse. [*Laughter*]

Q. Don't fall off!

Note: The exchange began at 1:27 p.m. at the South Portico of the White House as the President was leaving for an afternoon of horseback riding at Quantico Marine Base, Va. Accompanying the President were Senator Paul Laxalt of Nevada and several members of the White House staff.

Radio Address to the Nation on Federal Budget Legislation and Unemployment Figures

May 8, 1982

My fellow Americans:

It's just possible that you may have heard or read that there's some talk in Washington about a budget. If so, you've also heard a few things that aren't true.

For openers, it's just a plain falsehood to say, as our opponents in Congress and much of the press are saying, that the budget the Senate Budget Committee approved last Wednesday night is going to reduce social security payments. It does nothing of the kind. That budget specifically states that the 7.4-percent cost-of-living increase in social security benefits due July 1st will be added to the checks beginning July 1st, and that increase will be the only change in those checks.

Those who've rushed to face the TV cameras or get their names in newsprint by frightening our social security recipients should be ashamed of themselves. Let me repeat what I've said before. I will protect the benefits of social security recipients now and in the future.

The second thing, not quite so urgent, that needs correcting is some misinformation about our original budget proposal, which I submitted in February, and the projected budget deficits for the next 3 years. For some reason or lack of reason, the news media and some Congressmen have repeatedly declared that my February budget proposal contained a $182 billion deficit. Budgets don't contain deficits. Deficits are the difference between expected tax revenues and proposed spending. A budget either adds to it or reduces it. We plan to do the latter.

Both my February proposal, which the Congress refused to act on, and the one approved by the committee Wednesday night would, if adopted, drastically reduce the deficits. The $182 billion projected for 1983 will be reduced to $106 billion by the Senate budget. The deficits projected for 1984 and '85 will be reduced from $216 billion and $233 billion to $69 billion and in 1985 only $39 billion. That is a $417 billion cut in the deficits over 3 years.

In plain language, the budget which I worked out with the Republican members of the Senate committee reverses an ongoing increase in deficits and sets us on a sure road to a balanced budget in just a very few years.

You remember, of course, the great to-do and the hysteria about our budget a year ago, the talk of budget cuts that would punish the needy and helpless. You're hearing the same thing now about the new budget for 1983 and whether we can afford further budget cuts without doing harm to our social programs. Well, what budget cuts? Where do the cuts come from?

The 1981 budget we inherited was 657.2 billion. Our first budget, the one we had all the fuss about last year, was $728.9 billion. That's an increase of $71.7 billion over the preceding year—hardly what you'd call a cut. Yes, there were reductions of $35.2 billion, but they were reductions only in what had been assumed would be the annual increase in spending. We thought a $71.7 billion increase was enough. Without those $35 billion cuts, the present 1982 budget would be nearly as big as the budget we've proposed for next year.

The 1983 budget, approved by the Senate committee last Wednesday, calls for spending $779 billion. That's an increase over this year of $50.2 billion. Back in 1980 budgets were increasing by 17 percent. When it is passed, the 1983 budget increase will be a little less than 7 percent. This reduction in the rate of government growth, we think, is what you sent us here to do.

Now, I know it's hard hearing all these numbers to keep things straight, but the bottom line is that all the so-called budget cuts have been reductions only in the rate of increase usually in what Congress refers to as the "uncontrollables." Our proposed budget for next year, the one passed by the Senate committee, is $122 billion more than was spent in 1981. Those who've been opposing our budgets—this one and the one last year—would have had an increase of more than 170 billion if they'd have their way.

There've been no cuts in the budgets. There have only been smaller increases than some of our big spenders would have preferred, coupled with what we've done, our tax cuts, to allow you to keep more of what you earn.

Another subject: Yesterday we awoke to the news that unemployment had gone to the highest levels since 1941—9.4 percent. Well, let me just first tell you how I feel about unemployment. This is the problem above all which must be solved.

Maybe those of us who went through the Great Depression have some kind of complex, but to me as long as there is one single person able and willing to work but unable to find work, that is too high an unemployment rate. I wonder though if the news media couldn't serve us better if they would give us more of the statistical information on unemployment provided by the Bureau of Labor Statistics.

Let me explain. The rise in the unemployment rate from 9 to 9.4 percent is in what are called the seasonally adjusted figures. Now, I'm not sure that we live in a seasonally adjusted world. Every month, the Bureau also publishes the unadjusted figures. I feel these latter figures should not be buried or ignored by the press. If they weren't of some importance, the Bureau wouldn't release them along with the seasonally adjusted.

Now, what's this all about? Well, the adjusted figures are given for what should be the rate of unemployment and employment for each month, based on the figures for previous years. Now, I know I'm running the risk of oversimplifying, but I'm also running out of time. The unadjusted figures are simply the actual count of how many are employed and how many are unemployed in a certain month.

Under the seasonally adjusted figures, unemployment, as we know, went up to 9.4 percent in April, higher than the March figure of 9 percent. And that, of course, is bad news. But according to the unadjusted figures, there were 400,000 more people actually working in April than in March and 300,000 fewer unemployed. Likewise, when the figures were announced a month ago, unemployment increased from March over February, according to the adjusted figures. And yet by the actual count, there were 525,000 more people working in March than February and 88,000 fewer unemployed.

Now, I'm sure that next month when 750,000 or more young people are suddenly out of school, the adjusted figures might look better than the unadjusted. But shouldn't we be allowed to see both?

Regardless, the figures are sad. And something must be done and can be done about unemployment if Congress will get off the dime and adopt the deficit-reducing budget it now has before it. Interest rates will come down when it does, and so will unemployment.

This is no time for politics as usual. There are too many people hurting.

Thanks for listening, and God bless you.

Note: The President spoke at 12:05 p.m. from the Oval Office at the White House.

Message on the Observance of National Nursing Home Week, May 9–15, 1982

May 8, 1982

In observing National Nursing Home Week, we call to mind the special needs of the frail and elderly men and women who live in nursing homes and acknowledge that we all can play a part in meeting those needs.

We often forget that nursing home residents need more than medical care. They also have special social and human needs. Friends and relatives and dedicated staff members can do a great deal. But varied social contacts add to health and contentment, and we all can contribute as members of our communities by volunteering our time or other help.

As we observe National Nursing Home Week, please join me in honoring those who live in nursing homes and in working to assure them the quality of care and compassion they so richly deserve.

RONALD REAGAN

Address at Commencement Exercises at Eureka College in Illinois

May 9, 1982

President Gilbert, trustees, administration and faculty, students, and the friends of Eureka College, and particularly those whose day this is, the graduating class of '82:

Dan, you said the 25th and now the 50th. Do you mind if I try for the 75th?[1]

But it goes without saying that this is a very special day for you who are graduating. Would you forgive me if I say it's a very special day for me also? Over the years since I sat where you, the graduating class of 1982, are now sitting, I've returned to the campus many times, always with great pleasure and warm nostalgia. Now, it just isn't true that I only came back this time to clean out my gym locker. [*Laughter*]

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[1] *The President was commemorating the 50th anniversary of his graduation from Eureka College.*

On one of those occasions, as you've been told, I addressed a graduating class here, "'neath the elms," and was awarded an honorary degree. And at that time I informed those assembled that while I was grateful for the honor, it added to a feeling of guilt I'd been nursing for 25 years, because I always figured the first degree they gave me was honorary. [*Laughter*]

Now, if it's true that tradition is the glue holding civilization together, then Eureka has made its contribution to that effort. Yes, it is a small college in a small community. It's no impersonal, assembly-line diploma mill. As the years pass, if you have let yourselves absorb the spirit and tradition of this place, you'll find the 4 years you've spent here living in your memory as a rich and important part of your life.

Oh, you'll have some regrets along with the happy memories. I let football and other extracurricular activities eat into my study time with the result that my grade average was closer to the C level required for eligibility than it was to straight A's. And even now I wonder what I might have accomplished if I'd studied harder. [*Laughter*]

Now, I know there are differences between the Eureka College of 1932 and the Eureka of 1982, but I'm also sure that in many ways—important ways—Eureka remains the same. For one thing, it's impossible for you now to believe what I've said about things being the same. We who preceded you understand that very well, because when we were here, we thought old grads who came back only after 5 years—not 50—couldn't understand what our life was like and what had taken place and changed. So, take my word for it. As the years go by, you'll be amazed at how fresh the memory of these years will remain in your minds, how easily you can relive the very emotions that you experienced.

The Class of '32 has no yearbook to record our final days on the campus. The Class of '33 didn't put out a Prism because of the hardships of that Great Depression era. The faculty sometimes went for months on end without pay. And yet this school made it possible for young men and women, myself included, to get an education even though we were totally without funds, our families destitute victims of the Depression. Yes, this place is deep in my heart. Everything that has been good in my life began here.

Graduation Day is called "Commencement," and properly so, because it is both a recognition of completion and a beginning. And I would like, seriously, to talk to you about this new phase—the society in which you're now going to take your place as full-time participants. You're no longer observers. You'll be called upon to make decisions and express your views on global events, because those events will affect your lives.

I've spoken of similarities, and the 1980's like the 1930's may be one of those—a crucial juncture in history that will determine the direction of the future.

In about a month I will meet in Europe with the leaders of nations who are our closest friends and allies. At Versailles, leaders of the industrial powers of the world will seek better ways to meet today's economic challenges. In Bonn, I will join my colleagues from the Atlantic Alliance nations to renew those ties which have been the foundation of Western, free-world defense for 37 years. There will also be meetings in Rome and London.

Now, these meetings are significant for a simple but very important reason: Our own nation's fate is directly linked to that of our sister democracies in Western Europe. The values for which America and all democratic nations stand represent the culmination of Western culture. Andrei Sakharov, the distinguished Nobel Laureate and courageous Soviet human rights advocate, has written in a message smuggled to freedom, "I believe in Western man. I have faith in his mind which is practical and efficient and, at the same time, aspires to great goals. I have faith in his good intentions and in his decisiveness."

This glorious tradition requires a partnership to preserve and protect it. Only as partners can we hope to achieve the goal of a peaceful community of nations. Only as partners can we defend the values of democracy and human dignity that we hold so dear.

There's a single, major issue in our partnership which will underlie the discussions that I will have with the European leaders: the future of Western relations with the Soviet Union. How should we deal with the Soviet Union in the years ahead? What framework should guide our conduct and our policies toward it? And what can we realistically expect from a world power of such deep fears, hostilities, and external ambitions?

I believe the unity of the West is the foundation for any successful relationship with the East. Without Western unity, we'll squander our energies in bickering while the Soviets continue as they please. With unity, we have the strength to moderate Soviet behavior. We've done so in the past, and we can do so again.

Our challenge is to establish a framework in which sound East-West relations will endure. I'm optimistic that we can build a more constructive relationship with the Soviet Union. To do so, however, we must understand the nature of the Soviet system and the lessons of the past.

The Soviet Union is a huge empire ruled by an elite that holds all power and all privilege, and they hold it tightly because, as we've seen in Poland, they fear what might happen if even the smallest amount of control slips from their grasp. They fear the infectiousness of even a little freedom, and because of this in many ways their system has failed. The Soviet empire is faltering because it is rigid—centralized control has destroyed incentives for innovation, efficiency, and individual achievement. Spiritually, there is a sense of malaise and resentment.

But in the midst of social and economic problems, the Soviet dictatorship has forged the largest armed force in the world. It has done so by preempting the human needs of its people, and, in the end, this course will undermine the foundations of the Soviet system. Harry Truman was right when he said of the Soviets that, "When you try to conquer other people or extend yourself over vast areas you cannot win in the long run."

Yet Soviet aggressiveness has grown as Soviet military power has increased. To compensate, we must learn from the lessons of the past. When the West has stood unified and firm, the Soviet Union has taken heed. For 35 years Western Europe has lived free despite the shadow of Soviet military might. Through unity, you'll remember from your modern history courses, the West secured the withdrawal of occupation forces from Austria and the recognition of its rights in Berlin.

Other Western policies have not been successful. East-West trade was expanded in hope of providing incentives for Soviet restraint, but the Soviets exploited the benefits of trade without moderating their behavior. Despite a decade of ambitious arms control efforts, the Soviet buildup continues. And despite its signature of the Helsinki agreements on human rights, the Soviet Union has not relaxed its hold on its own people or those of Western [Eastern][2] Europe.

During the 1970's, some of us forgot the warning of President Kennedy, who said that the Soviets "have offered to trade us an apple for an orchard. We don't do that in this country." But we came perilously close to doing just that.

If East-West relations in the détente era in Europe have yielded disappointment, détente outside of Europe has yielded a severe disillusionment for those who expected a moderation of Soviet behavior. The Soviet Union continues to support Vietnam in its occupation of Kampuchea and its massive military presence in Laos. It is engaged in a war of aggression against Afghanistan. Soviet proxy forces have brought instability and conflict to Africa and Central America.

We are now approaching an extremely important phase in East-West relations as the current Soviet leadership is succeeded by a new generation. Both the current and the new Soviet leadership should realize aggressive policies will meet a firm Western response. On the other hand, a Soviet leadership devoted to improving its people's lives, rather than expanding its armed conquests, will find a sympathetic partner in the West. The West will respond with expanded trade and other forms of cooperation. But all of this depends on Soviet actions. Standing in the Athenian marketplace 2,000 years ago, Demosthenes said, "What sane man would let another man's words rather than his deeds proclaim who is at peace and who is at war with him?"

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[2] *White House correction.*

Peace is not the absence of conflict, but the ability to cope with conflict by peaceful means. I believe we can cope. I believe that the West can fashion a realistic, durable policy that will protect our interests and keep the peace, not just for this generation but for your children and your grandchildren.

I believe such a policy consists of five points: military balance, economic security, regional stability, arms reductions, and dialog. Now, these are the means by which we can seek peace with the Soviet Union in the years ahead. Today, I want to set this five-point program to guide the future of our East-West relations, set it out for all to hear and see.

First, a sound East-West military balance is absolutely essential. Last week NATO published a comprehensive comparison of its forces with those of the Warsaw Pact. Its message is clear: During the past decade, the Soviet Union has built up its forces across the board. During that same period, the defense expenditures of the United States declined in real terms. The United States has already undertaken steps to recover from that decade of neglect. And I should add that the expenditures of our European allies have increased slowly but steadily, something we often fail to recognize here at home.

The second point on which we must reach consensus with our allies deals with economic security. Consultations are under way among Western nations on the transfer of militarily significant technology and the extension of financial credits to the East, as well as on the question of energy dependence on the East, that energy dependence of Europe. We recognize that some of our allies' economic requirements are distinct from our own. But the Soviets must not have access to Western technology with military applications, and we must not subsidize the Soviet economy. The Soviet Union must make the difficult choices brought on by its military budgets and economic shortcomings.

The third element is regional stability with peaceful change. Last year, in a speech in Philadelphia and in the summit meetings at Cancún, I outlined the basic American plan to assist the developing world. These principles for economic development remain the foundation of our approach. They represent no threat to the Soviet Union. Yet in many areas of the developing world we find that Soviet arms and Soviet-supported troops are attempting to destabilize societies and extend Moscow's influence.

High on our agenda must be progress toward peace in Afghanistan. The United States is prepared to engage in a serious effort to negotiate an end to the conflict caused by the Soviet invasion of that country. We are ready to cooperate in an international effort to resolve this problem, to secure a full Soviet withdrawal from Afghanistan, and to ensure self-determination for the Afghan people.

In southern Africa, working closely with our Western allies and the African States, we've made real progress toward independence for Namibia. These negotiations, if successful, will result in peaceful and secure conditions throughout southern Africa. The simultaneous withdrawal of Cuban forces from Angola is essential to achieving Namibian independence, as well as creating long-range prospects for peace in the region.

Central America also has become a dangerous point of tension in East-West relations. The Soviet Union cannot escape responsibility for the violence and suffering in the region caused by accelerated transfer of advanced military equipment to Cuba.

However, it was in Western Europe—or Eastern Europe, I should say, that the hopes of the 1970's were greatest, and it's there that they have been the most bitterly disappointed. There was hope that the people of Poland could develop a freer society. But the Soviet Union has refused to allow the people of Poland to decide their own fate, just as it refused to allow the people of Hungary to decide theirs in 1956, or the people of Czechoslovakia in 1968.

If martial law in Poland is lifted, if all the political prisoners are released, and if a dialog is restored with the Solidarity Union, the United States is prepared to join in a program of economic support. Water cannons and clubs against the Polish people are hardly the kind of dialog that gives us hope. It's up to the Soviets and their client regimes to show good faith by concrete actions.

The fourth point is arms reduction. I know that this weighs heavily on many of your minds. In our 1931 Prism, we quoted Carl Sandburg, who in his own beautiful way quoted the Mother Prairie, saying, "Have you seen a red sunset drip over one of my cornfields, the shore of night stars, the wave lines of dawn up a wheat valley?" What an idyllic scene that paints in our minds—and what a nightmarish prospect that a huge mushroom cloud might someday destroy such beauty. My duty as President is to ensure that the ultimate nightmare never occurs, that the prairies and the cities and the people who inhabit them remain free and untouched by nuclear conflict.

I wish more than anything there were a simple policy that would eliminate that nuclear danger. But there are only difficult policy choices through which we can achieve a stable nuclear balance at the lowest possible level.

I do not doubt that the Soviet people, and, yes, the Soviet leaders have an overriding interest in preventing the use of nuclear weapons. The Soviet Union within the memory of its leaders has known the devastation of total conventional war and knows that nuclear war would be even more calamitous. And yet, so far, the Soviet Union has used arms control negotiations primarily as an instrument to restrict U.S. defense programs and, in conjunction with their own arms buildup, a means to enhance Soviet power and prestige.

Unfortunately, for some time suspicions have grown that the Soviet Union has not been living up to its obligations under existing arms control treaties. There is conclusive evidence the Soviet Union has provided toxins to the Laotians and Vietnamese for use against defenseless villagers in Southeast Asia. And the Soviets themselves are employing chemical weapons on the freedom-fighters in Afghanistan.

We must establish firm criteria for arms control in the 1980's if we're to secure genuine and lasting restraint on Soviet military programs throughout arms control. We must seek agreements which are verifiable, equitable, and militarily significant. Agreements that provide only the appearance of arms control breed dangerous illusions.

Last November, I committed the United States to seek significant reductions on nuclear and conventional forces. In Geneva, we have since proposed limits on U.S. and Soviet intermediate-range missiles, including the complete elimination of the most threatening systems on both sides. In Vienna, we're negotiating, together with our allies, for reductions of conventional forces in Europe. In the 40-nation Committee on Disarmament, the United Nations [United States][3] seeks a total ban on all chemical weapons.

Since the first days of my administration, we're been working on our approach to the crucial issue of strategic arms and the control and negotiations for control of those arms with the Soviet Union. The study and analysis required has been complex and difficult. It had to be undertaken deliberately, thoroughly, and correctly. We've laid a solid basis for these negotiations. We're consulting with congressional leaders and with our allies, and we are now ready to proceed.

The main threat to peace posed by nuclear weapons today is the growing instability of the nuclear balance. This is due to the increasingly destructive potential of the massive Soviet buildup in its ballistic missile force.

Therefore, our goal is to enhance deterrence and achieve stability through significant reductions in the most destabilizing nuclear systems, ballistic missiles, and especially the giant intercontinental ballistic missiles, while maintaining a nuclear capability sufficient to deter conflict, to underwrite our national security, and to meet our commitment to allies and friends.

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[3] *White House correction.*

For the immediate future, I'm asking my START—and START really means—we've given up on SALT—START means "Strategic Arms Reduction Talks," and that negotiating team to propose to their Soviet counterparts a practical, phased reduction plan. The focus of our efforts will be to reduce significantly the most destabilizing systems, the ballistic missiles, the number of warheads they carry, and their overall destructive potential.

At the first phase, or the end of the first phase of START, I expect ballistic missile warheads, the most serious threat we face, to be reduced to equal levels, equal ceilings, at least a third below the current levels. To enhance stability, I would ask that no more than half of those warheads be land-based. I hope that these warhead reductions, as well as significant reductions in missiles themselves, could be achieved as rapidly as possible.

In a second phase, we'll seek to achieve an equal ceiling on other elements of our strategic nuclear forces, including limits on the ballistic missile throw-weight at less than current American levels. In both phases, we shall insist on verification procedures to ensure compliance with the agreement.

This, I might say, will be the twentieth time that we have sought such negotiations with the Soviet Union since World War II. The monumental task of reducing and reshaping our strategic forces to enhance stability will take many years of concentrated effort. But I believe that it will be possible to reduce the risks of war by removing the instabilities that now exist and by dismantling the nuclear menace.

I have written to President Brezhnev and directed Secretary Haig to approach the Soviet Government concerning the initiation of formal negotiations on the reduction of strategic nuclear arms, START, at the earliest opportunity. We hope negotiations will begin by the end of June.

We will negotiate seriously, in good faith, and carefully consider all proposals made by the Soviet Union. If they approach these negotiations in the same spirit, I'm confident that together we can achieve an agreement of enduring value that reduces the number of nuclear weapons, halts the growth in strategic forces, and opens the way to even more far-reaching steps in the future.

I hope the Commencement today will also mark the commencement of a new era, in both senses of the word, a new start toward a more peaceful and secure world.

The fifth and final point I propose for East-West relations is dialog. I've always believed that people's problems can be solved when people talk to each other instead of about each other. And I've already expressed my own desire to meet with President Brezhnev in New York next month. If this can't be done, I'd hope we could arrange a future meeting where positive results can be anticipated. And when we sit down, I'll tell President Brezhnev that the United States is ready to build a new understanding based upon the principles I've outlined today.

I'll tell him that his government and his people have nothing to fear from the United States. The free nations living at peace in the world community can vouch for the fact that we seek only harmony. And I'll ask President Brezhnev why our two nations can't practice mutual restraint. Why can't our peoples enjoy the benefits that would flow from real cooperation? Why can't we reduce the number of horrendous weapons?

Perhaps I should also speak to him of this school and these graduates who are leaving it today—of your hopes for the future, of your deep desire for peace, and yet your strong commitment to defend your values if threatened. Perhaps if he someday could attend such a ceremony as this, he'd better understand America. In the only system he knows, you would be here by the decision of government, and on this day the government representatives would be here telling most, if not all, of you where you were going to report to work tomorrow.

But as we go to Europe for the talks and as we proceed in the important challenges facing this country, I want you to know that I will be thinking of you and of Eureka and what you represent. In one of my year-books, I remember reading that, "The work of the prairie is to be the soil for the growth of a strong Western culture." I believe Eureka is fulfilling that work. You, the members of the 1982 graduating class, are this year's harvest.

I spoke of the difference between our two countries. I try to follow the humor of the Russian people. We don't hear much about the Russian people. We hear about the Russian leaders. But you can learn a lot, because they do have a sense of humor, and you can learn from the jokes they're telling. And one of the most recent jokes I found kind of, well, personally interesting. Maybe you might—tell you something about your country.

The joke they tell is that an American and a Russian were arguing about the differences between our two countries. And the American said, "Look, in my country I can walk into the Oval Office; I can hit the desk with my fist and say, 'President Reagan, I don't like the way you're governing the United States.'" And the Russian said, "I can do that." The American said, "What?" He says, "I can walk into the Kremlin, into Brezhnev's office. I can pound Brezhnev's desk, and I can say, 'Mr. President, I don't like the way Ronald Reagan is governing the United States.'" [*Laughter*]

Eureka as an institution and you as individuals are sustaining the best of Western man's ideals. As a fellow graduate and in the office I hold, I'll do my best to uphold these same ideals.

To the Class of '82, congratulations, and God bless you.

Note: The President spoke at 3:23 p.m. in the Reagan Physical Education Center. He was introduced by Daniel Gilbert, president of Eureka College.

Remarks at the Eureka College Alumni Association Dinner in Illinois

May 9, 1982

Well, I thank just everybody. I've cleaned up—a Golden E pin, a plaque, a bust in my honor, being in the Eureka Athletic Hall of Fame. I thought I had reached the pinnacle when the 1931 Prism said that as president of the Booster Club I received commendation for my part in managing the committees in charge of the homecoming festivities. [*Laughter*] You don't know how much I wish I could remember what I did. [*Laughter*] There are a few committees on Capitol Hill that need some managing right now. [*Laughter*]

But, Mac,[1] this—if we could have gotten this many people to a football game on a Saturday afternoon, we wouldn't have had to wear the same pants 2 or 3 years. [*Laughter*] We could have had you new uniforms. But I'm not quite sure whether I got this for 3 years as guard or for making some touchdowns for Notre Dame at Warner Brothers. [*Laughter*]

I was interviewed just the other day before I came out here by a reporter from the Bloomington Pantagraph, who came up and wanted to talk all about memories, Illinois here and Eureka College and all. And then he said, "Well now, there's a story going around about you scoring a touchdown against Normal in the last minutes of play." And that just goes to show you how stories can get stretched. [*Laughter*] I can tell you about that touchdown.

We were one point ahead, as I remember. And there was just seconds to go. I'd been in the entire game, and Normal was passing, throwing bombs all over. And I finally decided because—you remember that no one in our backfield was over about five-nine or -ten in those days, so our pass defense wasn't all it should be if anyone on the other side was taller than they were. So, I used to charge against my man and then when I felt it was going to be a pass, duck back into the secondary and see if I could help cover for passes.

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[1] *William McNett, president of the Eureka College Alumni Association.*

And I saw everyone sucked over to one side of the field, and this Normal fellow—never forget that bright red jersey—going down the field all by himself. And I took out after him. And pretty soon, as he was looking back, I knew the ball must be coming. And I turned around and here it came, and I went up in the air, I got it, but by this time, as I say, having been in the entire game, I knew that there wasn't anything left in me. There was a lineman's dream, a guard way over on the sideline, about 75 yards from the goal line but a clear field down that sideline. But coming down with the ball, I thought if I just juggle it for a second or two, he'll tackle me. We still win the ballgame, and I won't have to run. [*Laughter*]

Well, I juggled it and I bent over, and I juggled it some more and nothing happened. [*Laughter*] And just as I started to raise my head, he put his arms around me and said, "Tag, you're it." [*Laughter*]

At the same moment, I saw a substitute coming in for me, I knew. And I started for the sideline, and one Ralph McKenzie, very serious of face—indeed, angry of face—said, "What happened to you?" And all I could say was, "I'm tired." [*Laughter*] But that—I told the reporter—that was my touchdown that was never made, my lineman's dream.

You know, one thing I've stopped talking about is that—receiving Eureka's centennial citation in 1955. Too many people began to think it was *my* centennial. [*Laughter*]

But I've spent the day in a warm flood of nostalgia, as I'm sure a great many of you have. You must be feeling the same way. Eureka is in all our hearts. And it gave me the greatest happiness today to be on the campus and to see today's students and to see that that same spirit and that same love is there among them every bit as great as it has been among us. They'll carry the memory of days at Eureka as abundantly and warm as we have carried them.

I got a letter a few months ago from Mrs. Lee Putnam, Class of '50. Lee, are you here some place? There. Hey, you don't mind if I let them in on your letter. Lee is the daughter of Professor Tom Wiggins, our English professor that so many of us remember so well. And she wrote me this letter about some of the memories that she had of her recollections of the 1930's at Eureka. Well, if she was the Class of '50, she had to be pretty young in the 1930's. But she said they're vivid—"faculty teas before the fireplace; Daddy reading; Mother playing the piano; bluebooks being graded; having Carl Sandburg as an overnight guest; and eating canned salmon, spinach, and baked beans night after night. [*Laughter*] The college had an arrangement with the Happy Hour Canning Factory in Bloomington which allowed us to order canned goods, since no salaries were paid during that time." And that's right.

"We also received dairy products from the college farm run by Frank Felter. I was too young to be aware then, but the entire community must have pitched in to save Eureka College." And that is what happened.

Day after day in those classrooms, those professors just as if they were getting paid on time—I've thought about that sometimes when I see some teachers' strikes lately. But I believe that that spirit is still at Eureka—in the town, the faculty, and the students.

And, Lee, I have to tell you a memory that I have of your father—God bless him. It seems that the late Bud Cole—God rest his soul—and I were declared ineligible if we did not take a makeup exam, and it was the day before the homecoming game. So, we went over to the gym that afternoon, and we got into our football uniforms. And then we went up in the Burgess Hall to the classroom where your father was there. And he gave us each two questions and said, "Take your choice of one." And he said, "I'll be in the Administration Building if you need me." And we finished the exam in quick time and went out to the field, convinced that we had passed the exam—and we had—and were able to play the next day in the game. That spirit of Eureka lasts not only 4 years but a lifetime, and that's why there are so many of you gathered here this evening.

And by the way, I want to thank Lee for writing. I don't know quite what to make of this, but later in the letter she writes, "My sister Barbara Cooper is a sergeant in Burbank, California, Police Department and has met you." [*Laughter*] Wait till the press gets hold of that. [*Laughter*]

But I can't tell you how wonderful it has been. The only fly in the ointment—the thing that's really wrong is that today is over, and now we turn back into pumpkins again because we can't even stay for dinner. This is the first time I've been a before-dinner speaker—been an after-dinner speaker many times. But we have to go out and get in that airplane and be on our way. So, we have to leave. But to be here among you again—everyone in Washington that's in government should have to, at regular intervals, have this kind of an experience, because there is a real difference between the real world and what's on the other side of the Potomac.

So, from one Red Devil to all the others—[*laughter*]—hail to maroon and gold, and hail to our alma mater, and I think all of us should pledge in our hearts that it will be there long after we're gone doing for young people what it did for all of us.

God bless you, and I wish we could stay and say hello to everyone of you. It's been a very thrilling and exciting time for us. And I leave greatly rewarded.

I have one little story I just want to tell before I go. [*Laughter*] I'm having a hard time getting away from here. For my graduation speech, we had decided in Washington that I should make a speech on the world situation and our plans for attempting disarmament, reduction of nuclear weapons and so forth. And they were talking about what would be a proper forum in which to make this speech before I go to Europe at the end of this month to meet with our allies and all. And, I said, "I have the perfect forum: I am making a speech in Illinois." And I reminded them of Winnie Churchill making a speech at a little college in Missouri some years ago in which he coined the term "Iron Curtain."

So, I said we'll make the speech there. But to those who were there today, I told them of a little story that illustrates the humor of the Russian people and their cynicism about their way of life and their government. And I had to choose between two. So, I won't repeat the one that I told there today—[*laughter*]—but the one I wanted to tell and didn't—and this is truly—the jokes—I've come to be a collector of these that the Russian people tell among themselves that reveals their feeling about their government.

And it has to do with when Brezhnev first became President. And he invited his elderly mother to come up and see his suite of offices in the Kremlin and then put her in his limousine and drove her to his fabulous apartment there in Moscow. And in both places, not a word. She looked; she said nothing. Then he put her in his helicopter and took her out to the country home outside Moscow in a forest. And, again, not a word. Finally, he put her in his private jet and down to the shores of the Black Sea to see that marble palace which is known as his beach home. And finally she spoke. She said, "Leonid, what if the Communists find out? [*Laughter*]

We love you. We envy you for being able to stay, and God bless all of you.

Thank you.

Note: The President spoke at 6:36 p.m. in the Grand Ballroom at the Continental Regency Hotel. Prior to his appearance at the dinner, he attended a reception for the Eureka College Class of '32 Golden Class Reunion at the hotel.

Following his remarks, the President traveled to Chicago, Ill., where he stayed overnight.

Remarks and a Question-and-Answer Session During an Administration Briefing in Chicago, Illinois, for Editors From the Midwestern Region

May 10, 1982

The President. Well, how do you do? I know that you've had a session of briefing already, and I don't know whether any of the others who've been here briefing you—Secretary Block or Jim Baker or the others—told you what this is all about.

But not too long ago, I met with a group of your colleagues from all over the country, and they brought up the subject that when I go out and, accompanied by the national press corps, that very often it's only the national press corps, the White House press corps accompanying us, that gets to ask any questions. And why didn't we do something with regard to the regional press? And it sounded like a very good idea, and so that's what we're doing and why we're here.

I know, as I say, that you've been briefed so I'm going to keep any remarks of mine down to very brief remarks, because I don't want to plough any already ploughed ground.

There have been a number of new initiatives, things that we have suggested—a prayer-in-school amendment that I announced last week that I believe its time has come. As a matter of fact, I don't think there ever should have been a need for it.

Tuition tax credits, which we think are aimed at helping the middle and the lower income workers in this country who are sending their children to parochial schools, schools of that type—some have tried to portray this as an effort to help the upper crust who are sending their children to the very expensive finishing schools and prep school academies in the country. There aren't too many of those, and that's not really who we're trying to help, because we have a ceiling on income as to who would be eligible for this tuition tax credit. Fifty-four percent of the families whose children are going to private or independent schools are with incomes of less than $25,000.

Those particular schools—particularly parochial schools—have been failing by the thousands under the inflation that we've been having in recent years. And it seems to us that since these families are actually paying to support two school systems—the ones that they choose and prefer to send their children to and at the same time paying the full load that everyone else pays for public education—that there is some justice in making allowance for this.

I know that the constitutional amendment for a balanced budget is causing some debate also. I think that it can be defended on every practical, commonsense ground there is. And the budget that we have worked out with the Republican members of the Senate Finance Committee will cut the projected deficits for the next 3 years by $416 billion and set us on a course that should within a year or two of that—if those projections are correct, and I have never placed much faith in economic projections of that kind out that far ahead; I'm just not sure that anyone can do it. But it will put us on the road then to, in a very short time, a balanced budget.

We've used the term—as I said in my radio 5 minutes last week—"budget cuts" so much; and it is incorrect to say that, because a budget cut suggests that you have reduced the budget that you presently have for the coming year and that your budgets are growing smaller. That isn't true. Our budgets have been growing bigger. '82's budget is bigger than '81; '83's budget will be bigger than '82, even with the so-called cuts that—these so-called cuts are cuts in the anticipated rate of increase based on past performance—the idea that there is a line going up in which, from this budget, it must go up that far the next year and so on. That line was increasing at a rate of 17 percent when we took office. There's no way that our economy can continue to support a government that increases in cost by 17 percent a year.

So, what we've been doing is reducing

that rate of increase. And the idea is to bring it down to the point that the budget doesn't increase any faster than the normal revenue from tax increases. And that will keep us with a balanced budget.

I can sum up our approach to the defense spending in a cartoon that I saw, and I just love it. It was Brezhnev talking to a Russian general, and he said, "I liked the arms race better when we were the only ones in it." So, with that, with the things that have been said about the budget, let's fire away at questions.

Yes.

Governor James R. Thompson of Illinois

Q. Mr. President, Governor Thompson's been drawing fire for his acceptance of many expensive gifts, including cash. In one case, he was handed an envelope from a Teamster's official, and inside was $500 in cash. What is your opinion of such conduct?

The President. Well, it depends on what was done with the money and whether it was accepted as a personal gift or used it for campaign funds or something of that kind. I have always been confident of the integrity of your Governor, and I would be very surprised if there was anything that he did that could be called malfeasance or improper conduct in that regard.

Q. Did he make a mistake in accepting it rather than giving it back?

The President. Well, when did he open the envelope?

Q. At the time.

The President. At the time. Well, and what did he do with the money?

Q. He kept it as a gift. A personal gift.

The President. As a personal gift. Well, how long's he known the man? Have they ever exchanged gifts before and so forth? All of those things are things, I think, that have to be taken into account.

You know, in Washington, they now have a system whereby, not only myself as an officeholder but even staff members have to report and make public even the Christmas gifts that they get from people they've—close friends they've been exchanging gifts with for years. And it's kind of embarrassing, because you're supposed to also put down an estimated cost. Now, how do you call someone that's given you a present for Christmas and say, "How much did that sweater cost? I have to put it down and make it public." It's a little embarrassing.

Q. As a matter of fact, he revealed this particular gift.

The President. He what?

Q. He is the source of the revelation that——

The President. Well then, I would say that that indicates that he has nothing to hide.

Voluntarism

Q. Mr. President, you are making a strong pitch today for voluntarism, and, at the same time, the Council of Foundations is saying that, in their opinion, voluntarism isn't working. The foundations can't come close to making up the $140 billion they claim have been trimmed from the social programs. And now there seems to be a new survey out which indicates that only a handful of 200 corporations are willing to increase any kind of volunteer effort or contributions. The theory is—one quote is, sir, that "the foundations and corporations should not be doing the kinds of things that government does not think is worth doing."

The President. Well, I don't know who the individual was that made that statement. First of all, I think it's exaggerating very much where we have reduced in programs of that kind. HHS, Health and Human Services, which is in charge of most of the human programs in government, has a budget that is bigger—the one we proposed for '83—is bigger than every national budget in the world except for two countries, the Soviet Union and the United States. It is $58 billion bigger than the budget for our own national defense, and it is 20-some billion dollars bigger than it was last year.

Now, we're not asking foundations to replace programs that are the responsibility of government. We are suggesting that over the years, as government has done more and more and invaded more fields that belong both to local or State government or to the private sector, that people have tended to go their way and just assume that government is taking care of all these things. And what our private sector initiative program, what our task force is finding—they are canvassing and finding out how are various communities meeting certain problems in their communities and spreading this word to others, so that others can find out how to handle them, the programs that properly—well, let me give you an example.

Would we say that the Boy Scouts should be turned over to government, that that should be a government program? The total cost of the Boy Scout movement is about $187 million a year. Well, we've worked out what it would cost if government tried to run the Boy Scouts. It would cost $7.7 billion a year.

Now, the thing is it's not just money contributions; it is the service that people can render, the people, the executives who give of their time to be on hospital boards, on college or school boards, and so forth, the people who volunteer and help run the United Fund. Isn't it funny that in this time of recession, last year the United Fund broke all records for contributions?

It is just that we find churches, for example, only a few years ago, before we began with this big government drive, religion was the principle dispenser of charity in the United States. Today, it has fallen down to where it's only responsible for about 3 percent. And many churches, without us doing anything, have been disturbed about this and are finding things that they not only can do—and not just in the contribution line but in their own people helping to serve, just human volunteers that are doing jobs—that if government did it would call for a whole bureaucracy.

And so, we're not asking them to replace, but we think there is a vast field. And the funny thing is we are running into just waves of enthusiasm and volunteers. In fact, I just have a slip of paper in my pocket that was handed me a few years ago—few years!—a few minutes ago outside here from a young lady who wants to know and wants to be put in touch with where she can volunteer her services.

School Prayer Amendment

Q. Mr. President, why is a constitutional prayer amendment necessary when the Supreme Court only outlawed officially sponsored prayers, not silent prayers or meditation periods?

The President. Well, because that Supreme Court decision has been taken and interpreted by many who fear running counter to the law in such a way that we're finding it impossible to have Christmas ceremonies in schools anymore.

At first, the decision in most schools was, "Well, as long as you stick to Santa Claus and a Christmas tree, yes, you can have a Christmas party or ceremony." But if you do anything with the crèche or observe whose birthday it is, then that is against their taking of the Constitution. And then more recently, we have found in some of our larger cities that the school boards have decided that Santa Claus is so associated with the holy holiday that, therefore, we can't have Santa Claus anymore as part of the school services.

What we're saying is that the first amendment, frankly, I don't believe was properly interpreted. The first amendment is to protect not government from religion, but religion from government tyranny. It says that the government will neither respect nor obstruct—or will neither institute nor obstruct religious practice. And the prayers, I think, would obviously have to be nonsectarian so that you are not showing favor to one particular religion or another. And I know that New York State had proposed a nonsectarian prayer that would meet all of the needs.

I think what most of the people in this country—and the polls show that it is overwhelming, the percentage of people who want prayer restored—is the idea that by doing away with it, it was almost as if there was an antireligious bias. It was as if saying to the children that this is no longer important. And yet we refer to ours as a country under God. It says "In God We Trust" on our coins. They open the Congress sessions with a chaplain. I've never been sure whether he prays for the Congress or for the Nation.

The young lady.

Ms. Small.[1] This'll have to be the last question.

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[1] *Karna Small Stringer, Deputy Assistant to the President and Director of Media Relations and Planning.*

The President. Oh, I've answered them too long, I think. Karna. Can I take one more here after I take the young lady's? All right.

Import Quotas

Q. The steel industry around—[*inaudible*]—in particular trouble, and there have been several suits filed to keep out the foreign imports of steel that's being sold below cost. And there are also steel executives who are calling for quotas similar to the auto quotas that were placed on the Japanese. I'm wondering what your plans are for helping the steel industry, and if you're going to try to expedite these suits that are—[*inaudible*].

The President. Well, I believe in free trade. But it is true that in our country we have—well, in every country for that matter, and our trade is probably freer than anyone else's. This is why the Third World sells more of its product in the United States than it does to all the rest of the world put together. But there are areas where we have recognized some things such as quotas.

In sugar, this farm bill, we had tried to rid ourselves of that particular quota—sometime ago did, back in, I think, about 1979. Last year the Congress brought it up, and very frankly it was a price that had to be paid in order to get the budget program. But it is not totally without precedent in our international dealings and in the GATT arrangements with regard to trade with other countries. There are certain quotas that are recognized.

And in our own country our protection with regard to steel has to do not with just that kind of a protection but the fact that steel is being exported into the United States, produced in other countries and sold below the cost of production because of their subsidy of that industry. Well, free trade should be fair trade also. And we think that has to be stopped, and we've—there is a provision whereby we can prevent the influx into this country of subsidized steel. We have some quotas with regard to meat imports from other great cattle-raising countries.

But we've held this down, I think, to a minimum and based it on what we believe is fair to defend our standard of living against those who could exploit their own low standard of living and their own workers to sell here. But basically we're striving constantly for free market, and most of these quotas there are compensating factors.

Q. If the steel problems continue, would you support a quota on foreign steel?

The President. The program is already in place with regard to the import of those subsidized steel products, and it's—actually before we came here, there had been very little done to enforce it. Now, what has been taking place—we have been trying with—because many of these are our allies and are friendly countries—we've been trying at a government level to get them to voluntarily stop it.

The steel industry has recourse under the law that if we can't succeed in that, they then can bring suit internationally and prevent it that way. Well, we're trying to do it in a friendlier way.

Martin Luther King, Jr.

Q. Mr. President, there's a thrust on the part of many in this country to have the birthdate of Dr. Martin Luther King, Jr., declared a national holiday. Have you taken a stand on that?

The President. No, I haven't taken a stand one way or the other. And I certainly can understand why the black community would like to do that. I know that from some of the past—I just have to confess with all that's been going on, I haven't been able to dig as deeply as I want to into it.

But one of the problems from those who have preceded me in this office with regard to that is the discovery of how many—we're quite a mix in this country—how many other people there are with—people who just as sincerely want them also. We could have an awful lot of holidays if we start down that road.

Now, whether there's something that could be worked out that would protect against that, I don't know. But, as I say, I have the deepest sympathy for it. I know what he means and what he has meant to a movement that I think is important to all of us.

Q. Would you be in favor of such holidays?

The President. Well, would you allow me to say here that I want to study more about the ramifications of all those other requests before I give an answer that definitely—because it might be that there's no way that we could afford all of the holidays that we would have with people who are also revered figures in the history of many of the groups that make up our population here in America.

Ms. Small. Thank you, Mr. President. You have to get to your headtable reception.

The President. Oh. I'm supposed to be making a speech in here, and they're——

Q. 30 seconds, Mr. President?

Ms. Small. You're 5 minutes late.

The President. 5 minutes late? Can I be 5½ minutes late? [*Laughter*] He says it's a good one. I'm probably going to kick myself for doing this.

Go ahead.

Unemployment

Q. The unemployment rate in Illinois, Mr. President, is 10.4 percent. The last time—[*laughter*]—the last time the Nation's unemployment rate was that high was at the end of the Depression and the buildup for World War II. At what point did this recession become a depression for States like Illinois with unemployment rates of over 10 percent?

The President. Well, I referred to a number of places when I was campaigning as being in a depression. When I was in towns—you know, this didn't just happen to us. I was in Flint, Michigan, when the unemployment rate was 20 percent in 1980. And they were calling it the 1980 recession. And I said, well, having been through a depression, there are spots where it is depression.

It is true that in this recession the unemployment rates are not uniform as they were pretty much in the Great Depression, when 25 percent of the workers in America were without jobs. But there are certain areas, due to certain industries, that have what could be called near-depression-rate unemployment. And sometimes it isn't even statewide. Sometimes it's a particular part of that State where a certain industry has slowed down.

We want to do something about that, and we think we're trying. The fact that we have brought inflation down to less than zero for the first time in 17 years is an indication that the one thing that we believe is bringing this about, causing this unemployment—the high interest rates—can no longer be justified on the basis of inflation.

High interest rates came about because of the need of a lender to get back the depreciated value of his dollar due to inflation, plus the return that you normally get for lending your money, a return on the money. Well, if you've got inflation down to where it's—for all of last year, was only a little more than half of what it had been—for 6 months or more it has been running at 3.2, and last month, as I say, dropped below zero for the first time in 17 years.

I believe that the only thing that's keeping the interest rates up and preventing a speedier recovery is the lack of confidence on the part of the private sector that government will stay the course. And that's why I said what I did the other day. If the Congress'll get off the dime and pass this budget proposal, it will be an indication that we're not going to go back to what we've done a dozen times since, in the last 20 or 30 years, and that is have a quick fix and artificially stimulate the market to where we temporarily solve or help to solve the unemployment problem, only to have an inflation 2 years later that is worse and unemployment is deeper and inflation is higher.

So, we're working as hard as we can. And I will be meeting with some leaders in this coming week on this very subject of interest. But this is the answer to the unemployment.

The other thing I might point out, differing from the Great Depression—and I don't mean to minimize at all, because there's no one—I'll challenge that there's no one in the world that has the feeling inside them that I have, having gone through the Great Depression and seen, as I've said, my father get his notice that he didn't have a job, sitting in our parlor on Christmas Eve—

opened an envelope that he thought was a Christmas greeting and it was the notice that he was now unemployed. I know the pain of unemployment, but I also know that there are mitigating things today that we have.

We have a built-in system, first of all, with unemployment insurance and our own welfare programs and so forth, but also the dual employment in families that today, according to Bureau of Labor Statistics, it is estimated that only about 30 percent of the families where there is unemployment are without some member of the family employed; 70 percent of the families, there is another member of the family where there is someone employed. Seventy percent of the families have a member of the family employed.

So, we're not back where we were in that Great Depression, where none of these things existed at the time when unemployment was total destitution—and here in this city, there aren't very many around who remember that at one time Franklin Delano Roosevelt had the Illinois State National Guard parade down State Street—not Michigan Boulevard—State Street because of the number of unemployed that were living there, sleeping in doorways under newspapers at night and so forth.

We have taken great steps. And those social reforms are still in place, and this administration isn't going to do anything to eliminate them.

Note: The President spoke at 11:33 a.m. in the Waldorf Room at the Conrad Hilton Hotel. Prior to his appearance at the briefing, he attended a fundraising reception at the hotel for Illinois State Senator Donald Totten.

Remarks at the Annual Foundation Luncheon of the YMCA of Metropolitan Chicago in Illinois

May 10, 1982

Thank you very much. And if you haven't finished this delicious lunch or dessert, why, you keep right on going, and I'll just talk over you.

Nancy and I—I'm sure you know how thrilling this is for us to be back here in home territory. I once said that the roots go very deep in the blue-black soil of Illinois prairies. We're delighted to be here, and I thank you for that fine welcome.

Somebody did quite a research job, though, to find a picture of me in the Dixon YMCA band. [*Laughter*] This should lay to rest the rumor that photography had yet to be invented when I was that age. [*Laughter*]

Seriously, I recall those days with pleasure. Dixon, a small town and back then the entire community got behind projects like the YMCA Band. My family didn't have any extra money, so I've always been grateful for the wonderful time such programs provided me.

Something I didn't understand as a kid was the part our neighbors and other good folks in Dixon played in that band—the mechanic down the street, the shopkeeper, the telephone man. They realized that they had to do their part if our little town was to be a decent place. So, they got involved, and they contributed the money. And when they didn't have that, they gave of their time so the kids in our town would have a YMCA band. The gentleman in the dark coat up there was the teacher, and he was the one who conceived the idea and literally, single-handedly brought it before the town. And there weren't school bands in those days, and so that was *the* band.

But that's the kind of spirit America stood for back in those days. It's the kind of spirit that all of you stand for today. Come to think of it, that band was my first real experience in entertainment. [*Laughter*]

I remember one day when we went to a nearby, even smaller town for Memorial Day to lead the parade, and a gentleman, who was the parade marshal on a white horse, as we started, galloped back down the line to make sure everyone was joining in and coming along. And we were leading. And I was the drum major and waving my baton, and suddenly I thought the music was sounding fainter. [*Laughter*] And I looked over my shoulder and found that he'd come back up to the head of the parade in time to get the band turned at the corner. I was going down the street all by myself. [*Laughter*] So, I cut across corners and got in front of them again. I'm still trying to do that with the Congress. [*Laughter*]

But I might have been too young to express my appreciation to all my good neighbors back then, but not now. So, if you will, I hope you'll accept the thanks from me, not only for what the YMCA provided in Dixon but for all those many young people, most of whom you'll never know, but all of whom will live happier and healthier lives because of the efforts that you're putting forth to make this the kind of city, the kind of country that we believe it should be. And if one of the kids you're helping along grows up to be President some day, I can assure you that he'll think back and realize how much he owes to good people like you.

The character of the American people is our country's most precious asset, and, like any asset, it should never be taken for granted. In the months preceding the 1980 election the values of which I'm speaking and the viability of some of our most cherished institutions, I believe, were under attack as never before. Inflation, high taxes, and economic instability were taking a heavy toll on things which most Americans had always taken for granted.

Our savings rate slipped to the lowest level of any major industrialized nation. Instead of long-run, job-producing investment, money was being channeled into inflation hedges and tax shelters that made little contribution to the economic strength of the country. The quick deal and the fast buck were rapidly becoming the order of the day.

Inflation was ripping our country apart. Federal taxes were draining the potential for growth and progress out of the private sector. Interest rates, as we know, shot sky high to 21½ percent in December of 1980. This is what we confronted upon entering office 16 months ago.

Our people cried out for a change of direction. Above all, if we were to recapture the spirit of vigor, optimism, and brotherhood that was once the hallmark of our country, America needed to change attitudes.

One of the most damaging attitudes which had developed, one that may be at the heart of our other problems, was the habit of turning to government to solve every problem. It caused unprecedented government growth that threatened our very way of life and brought the harmful side-effects I've just described. Over the last decade Federal spending tripled at the same time that defense spending decreased in constant dollars. Federal social spending increased over the last three decades eight times more than prices.

Some of the programs established during that spending binge remind me of the preacher who had come to a small hamlet about a hundred miles from his own hometown to preach at a revival meeting. And driving into the village he noticed a man from his own community, a fellow that was rather known for his drinking, who was sitting on the front steps of the general store. And he stopped his car and he asked the drinker why he was so far from home and was told that beer was 5 cents a bottle cheaper there. Well, when the minister pointed out the cost of travel back and forth, the price for a hotel room, the beer drinker retorted, "I'm not stupid, Reverend. I just sit here and drink till I show a profit." [*Laughter*] Well, some of the government programs of the last 20 years were ill-conceived, too costly, and turned out to be no better for the poor than that bargain beer.

Inflation and economic dislocation resulting from uncontrolled spending and the taxation needed to pay the bill hurt everyone. And the figures back this up. If inflation had kept running at the rate it was prior to—or during 1980, a family of four on a fixed income of $15,000 would be over $1,000 poorer in purchasing power today. The effect would be the same as having that $15,000 income reduced to $14,000.

Or put another way, by lowering inflation we gave them a thousand-dollar raise.

In January of 1980, the Consumer Price Index was increasing at an annual rate of 18 percent. That would have more than doubled prices in 5 years and devastated our economy. Two years later, in January of 1982, the Consumer Price Index went up at a rate of only 3½ percent. And in March it actually fell for the first time in nearly 17 years. It would have been no favor to the poor, or anyone else, to permit inflation to continue ravaging our country.

How many of you remember that it wasn't so long ago that voices of gloom and doom were suggesting it would take a decade to bring inflation under control? There was an unprecedented feeling of pessimism sweeping across the country. For the first time you could hear the refrain that America's best days are behind us. Well, don't you believe it.

This negative thinking is similar to that found in a letter from a high school teacher recently published by a newspaper columnist. "Since 1967," the letter says, "I have watched sloppy, indolent, sassy, unmotivated students virtually sleepwalk through school. I won't go into detail about the lack of respect for authority or the students that I have seen stoned, spaced out, still drunk on Monday morning. More than once, I've been tempted to accept the label 'teacher burnout' and change jobs."

But then something happened to dramatically alter this teacher's entire perspective. She works in Fort Wayne, Indiana. And a few months ago they suffered the worst flooding in 69 years. And she writes, "Like thousands of others I went downtown to help, and what did I see? Hundreds of students whom I'd written off as lazy, irresponsible. They had come as volunteers to work in the sandbag lines, haul rubble and trash, help evacuate the elderly and stranded, do whatever needed to be done. Some were even ready to risk their lives if necessary." All those kids had needed, the teacher concluded, was a sense of purpose, and now they had one.

Well, I was in Fort Wayne during that flooding, and I can testify to what this teacher is saying. The same is true of young people all across America, and not just the young people either. But I could tell you, a few years ago was something I wanted to see on a billboard. We were having a problem in California. Unnatural high tides abetted by storms were destroying beautiful beach homes along the beach, and the television was covering, around the clock, the battle to save these homes—sandbag lines again. And it was about 2 o'clock in the morning, and there was a young teenager just in swimming trunks, and at 2 o'clock in the morning in California you can freeze to death. He was wet, he was obviously tired, and one of the commentators of the TV station stopped him as he's hauling another sandbag, asked him did he live in one. No, he didn't live in any of those homes. Why was he doing it? And the answer is what should have been on a billboard. He stopped for a minute, kind of puzzled himself, and then he said, "Well, I guess maybe it's the first time we've ever felt needed."

We ought to be able to do better for them than that. Anyone who writes off Americans is making a tragic error. More often than not our citizens are simply waiting to be asked. And that's one of the reasons why back in October we created a Presidential task force on private action—on private sector initiatives. There are still too many people on the sidelines waiting for a chance to get into the game.

This task force is designed to serve as a catalyst for people-helping and community-building projects. It's not designed to replace government. The Federal Government will continue playing a significant role.

Federal social spending is still increasing, although admittedly at a less rapid pace than before. The Department of Health and Human Services, for example, will have a budget of $274.2 billion in 1983, when we get that budget passed—and we're going to get it passed. Now, that's an 8-percent or $20 billion increase over 1982. That's $56 billion more than the defense budget. The HHS budget is, in fact, larger than the entire budget of any country in the world except the United States and the Soviet Union.

But while maintaining government's commitment to the poor, we want to see if it isn't possible to motivate our people as individuals, as members of churches and clubs, as representatives of corporations, as members of unions, and as concerned citizens, to do what they can to make this a better country. How? By working together in partnership to meet community needs.

This theme of building partnerships is one of the major goals of the task force, and I understand this effort is now running at full throttle. One of the earliest pioneers of this spirit was Benjamin Franklin, a wise old man of the American Revolution. "For my part," he is reported to have said, "when I am employed in serving and understanding others, I do not look upon myself as offering favors, but rather as paying debts. I have received many kindnesses from my fellow men. I can only return those to their fellow men. And so let good offices go round and round, for mankind is all of a family."

Well, Franklin was more than a man of words. He was also a man of deeds. As early as 1727, with a small group of his Philadelphia friends, he formed a mutual improvement society called the Junto. And within a few years, they founded a subscription library for their community—the first of many projects.

This was truly a New World, and with it came this new spirit of personal responsibility, unleashing creativity and energy that astounded the world. In the 1830's Alexis de Tocqueville, a young French intellectual, traveled through our new country recording his observations in his book, "Democracy in America." The American way of life captured his imagination, especially the vitality with which our forefathers went about solving problems. You know, there's something strange in the United States, he wrote. He said, when individuals see a problem, they walk across the street to a friend or a neighbor, and they tell them of the problem. And they talk about it, and pretty soon a committee is formed. And the next thing you know, they're solving the problem. And then he added to his fellow Frenchmen, you won't believe this but not a single bureaucrat was involved.

De Tocqueville noted that "wherever, at the head of some new undertaking, you see the government in France, or a man of rank in England, in the United States you will be sure to find an association." Well, the Young Men's Christian Association, although born in England, is exemplary of this tradition that has been so vital to our freedom and well-being.

The YMCA right here in Chicago is a tremendous example of what can be accomplished. Since 1858, through good times and bad, you've been serving the needs of the people of this city. The first job-placement service in Chicago was launched by this YMCA when it was only 2 years old, back in 1860. In the latter part of the last century when new immigrants needed a helping hand, the Chicago Y offered Americanization and English classes, not only in its centers but also in south Chicago steelmills. Later, the national Y loaned six of its professionals—two from Chicago—to help establish the Boy Scouts of America. And I can remember how, at the beginning of World War II, the Y joined with five other agencies to establish the USO. The Chicago Y became the home away from home for thousands of American soldiers and sailors.

Today, the YMCA represents the largest voluntary human service agency in the country, a public-private partnership that should serve as a model for others. I understand you've got over 1,100 full-time staffers, over 3,100 part-timers, and more than 10,000 volunteers.

The Y has played an indispensable role in this city. Your current undertaking demonstrates that the Y is ready to meet the challenges of the future. Aimed at strengthening your city's neighborhoods and offering much-needed services to Chicago's urban population, this program represents the kind of private-sector partnership our task force hopes to spread to other communities. I applaud your commitment and good citizenship. Your presence is testimony that Chicago can still show the rest of us how to make a large city work.

Our Task Force on Private Sector Initiatives is aimed at promoting just this kind of direct action. It's headed by Bill Verity, former chairman of the board of Armco Steel, and a man who knows how to get things done. We set out 6 months ago to systematically build upon the tradition of voluntary action that I've spoken about today. The progress, so far, has been impressive.

In the last few months I've met with more than a hundred leaders of the largest national business organizations and trade associations, leaders from a hundred of the largest religious organizations, and leaders from a hundred of the largest service and fraternal organizations to see what can be done to strengthen the efforts being made and to encourage others to get involved.

For our part we've instructed the head of every department and agency in the Federal Government to appoint a personal representative to determine what can be done to promote private-sector action and to report the findings to our task force and to the White House. I'm happy to say that we've had tremendous cooperation at the Federal level, and there's been significant progress made at the State level as well.

Over 20 Governors are working with our task force and have taken steps to establish private-sector task forces in their own States. And today Governor Thompson informed me that he is announcing today the creation of his own Illinois Statewide Task Force on Private Sector Initiatives.

We're discovering heartwarming dedication among our citizens all over the country. The AFL-CIO is a good example. They've demonstrated leadership not only during labor negotiations but also in organizing a host of worthwhile community projects. The AFL-CIO has a network of 310 full-time labor community service representatives working to address local needs in 196 cities. Some of these representatives are heavily involved in assisting those who've lost jobs because of the current recession.

Working people have always demonstrated tremendous responsibility. Approximately 68 percent of the United Way budget is contributed by individual workers. One third of all blood donated to the Red Cross comes from union members. And the Scouts tell me that union members represent 25 percent of the leadership of the Boy Scouts of America.

And business is doing its part, too. From all areas of the Nation our task force is collecting information about corporations taking the initiative. The success of this effort today is due in large degree to the contributions of numerous businesses large and small. To be safe, I'll refrain from naming names, because I know there just isn't time to acknowledge each of you. But if one person deserves applause for his efforts today, it's your chairman of the board of managers, Edward S. Donnell.

And corporations don't necessarily have to contribute money. Of the 10 senior staff members on the task force, 9 of them are loaned executives whose time is being volunteered by their employers. And this summer, as in the past, many corporations will be taking the lead in providing summer jobs in the private sector for disadvantaged youths. John Filer, chairman of the National Alliance for Business and a member of the task force, tells me that private industry, despite our current economic problems, this summer will provide more jobs to needy kids than ever before.

Let me give you just one splendid example of management and union working together. Members of the International Union of Operating Engineers in Philadelphia heard that the Easter Seal Rehabilitation Center badly needed some specialized equipment for severely disabled children. They went to their employer, the Rohm and Haas Company, and together they cranked out the needed devices professionally, built for strength and safety. It's estimated that 2,000 children will benefit from the efforts of these volunteers.

America's churches have also been in the forefront of service to the less fortunate. Christ told his disciples that "as ye do unto the least of my brethren, so you do unto me." The message was clear; you serve God by serving those in need. As late as 1935, in the middle of the Great Depression, a substantial portion of all charity was sponsored by religious institutions.

Now, you might think this is just my interpretation, but in the parable of the Good Samaritan, the Samaritan—and I think this is the meaning—didn't run into town to look for a government caseworker to help the injured pilgrim. He acted directly to do what he could to help, himself. We think it'll be good for the soul of this country to encourage people to help one another, to get involved, to take personal responsibility for the well-being of their community and neighbors, instead of always leaving this to the bureaucracy.

American churches demonstrated this as they rushed forward to aid the throng of refugees entering this country after the Vietnam tragedy. Five religious organizations were responsible for settling two-thirds of the Indochinese refugees who entered the United States.

Americans have always been ready to help those in need—whatever country they come from. We can be proud that our citizens through private voluntary organizations like CARE, World Vision, and many other humanitarian associations, have helped eliminate suffering—feeding the hungry and treating the sick in every corner of the world.

The list goes on and on. The service clubs—Kiwanis, Lions, Rotary, Jaycees, and others—all have a history of community support. And Bill Verity tells me that they're doing even more in response to the challenge of our task force, and they're doing it more efficiently and effectively than the Federal Government ever could.

I just wish those who are pessimistic about the future of America could see an overview of this surge of creative and humanitarian action. We believe it should be recognized, encouraged, and promoted. And that's why we established the President's Volunteer Action Awards and brought this year's recipients to the White House.

One of those given the award was a man named Bill Sample. Bill was a Philadelphia policeman assigned to a local children's hospital. He saw the desperation—financial and emotional—of those with seriously ill children. Originally he did what he could out of his own pocket, and then he established the Sunshine Foundation to get others involved. The Foundation helps with expenses and, whenever possible, fulfills the child's dream—sending the little boy or girl to Disneyland or on a boat trip down the Mississippi. Today the Sunshine Foundation depends on 200 volunteers working in 7 chapters in 3 States. And whoever said that cops don't have a heart?

A major goal of the task force is to get the word out about good people like Bill Sample. Unfortunately, the news media, by and large, has been missing the biggest news story of the year: the surge of creative, innovative, problemsolving activity at the local level.

I recently met with representatives of 30 of the country's largest broadcasting groups and told them how one station, KAKE–TV, in Wichita, Kansas, was able to play a leading role in its own community. The news teams of KAKE focused in on some local problems and then called other cities to find ways that they were able, by enlisting support from private-sector and partnership efforts, to tackle those problems. And after hearing about what KAKE had accomplished, the broadcasters enthusiastically endorsed the concept and told me their stations would try to emulate the effort in their own communities.

In short, there's much to be done. And while no one is capable of doing everything, everyone is capable of doing something.

I'd like to close with this thought. During the campaign I talked about family, neighborhood, work, peace, and freedom. And it wasn't just campaign rhetoric. And I say to you in utmost sincerity, it's time for us to return to some of these basic beliefs.

It won't be easy; it'll take commitment, hard work, and perseverance. But how great the results can be. And you in Chicago know the importance of neighborhoods. You were once known as the city of neighborhoods. Well, this project today is a wonderful display of community spirit and support for something that you believe in. Fundamentals like this, which have played such a significant role, cannot be replaced wholehorse by Federal programs and paid bureaucracy.

Thomas Jefferson, the author of liberty, the father of our freedom, once wrote, "I deem it the duty of every man to devote a certain portion of his income for charitable purposes; and that it is his further duty to see it so applied as to do the most good of which it is capable." Jefferson knew well the relationship between the responsibility of which we speak today and the freedom of our people.

Another great American, Dwight Eisenhower, saw this when he quoted that young Frenchman, de Tocqueville's line: "America is great because America is good. And if America ever ceases to be good, America will cease to be great."

All of us are aware of the reservoir of goodness which lies waiting to be tapped. Let's make it our job—everyone's job—to encourage our fellow citizens to do those good works which need to be done. With the help of God we can and we will keep America the great and the free nation that it is.

Thank you again for what you're doing and for your presence here today. God bless you.

Note: The President spoke at 1:27 p.m. in the International Ballroom at the Conrad Hilton Hotel. Prior to his remarks, he attended a reception for luncheon headtable guests at the hotel.

Remarks and a Question-and-Answer Session With the Student Body of Providence-St. Mel High School in Chicago, Illinois

May 10, 1982

The President. Well, Mr. Adams,[1] to the teachers here at this school, and to all of you students, I can't quite describe what a pleasure this is for us. We're here because we heard about this school. We heard what beginning with one man to save a school has developed into an educational institution of which you all must be very proud, because there aren't too many educational institutions in the country that can match your record. And we had to see this for ourselves—not just to see it for ourselves but also because we hope that we can spread the word.

And maybe I can illustrate what I'm trying to say was when I was Governor of California, every year they used to bring to the capital a group of students who'd come from other countries and who, on an exchange-student basis, would spend a year in our schools, usually in high school. And every year I had the same question for them. I would say, "Tell me"—these students from all over, Europe and every place else—I'd say, "Tell me, how do our schools compare? Are they tougher than yours? Is the work harder?" And then I'd have to wait until they stopped laughing. That was their assessment of the difference, and I'm talking about schools that weren't like yours. I wish we could get some of them in here. I don't think they'd laugh, because I think they'd find out that you met the same educational levels they do.

The other day, yesterday, about a hundred miles south of here at the little college I attended, I spoke at the graduation down there. And I used that occasion to talk to them about something that's very close to my heart and, I'm sure, must be to yours. And that is our intention to engage the Soviet Union in negotiations to reduce the nuclear weapons that are threatening the world and to reduce all of our military power on both sides and then get down to where we can begin to exchange ideas and convince them that the world doesn't mean them harm and that we can get along in the world together—because there've been four wars in my lifetime. There's one dream I have; if I can do one thing with this job, it is to see that no other generation of young Americans will ever have to go out and bleed their lives into somebody's battlefield. And I hope that we can bring that peace about.

But I'm not going to go on talking other than to tell you that you have every reason to be proud, and I'm going to see that a lot of people find out about you and are proud themselves of what you've done. You have reason to be proud of your teachers who obviously are ready to double in brass and do whatever has to be done in order to keep this school going.

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[1] *Paul Adams, principal of Providence-St. Mel High School.*

But I think we'll be much better off with a dialog instead of a continued monolog from me. So, I know that you have some questions, and I know there are microphones for that—and let's begin.

U.K.-Argentine Conflict

Q. Mr. President, my name is Todd Johnson. My question is, what actions is the U.S. Government planning to take in the war between Argentina and Great Britain, and why did you choose sides for Great Britain?

The President. I don't know whether it's the speaker or not—I think the loudspeakers point that way. I had trouble hearing you.

Mr. Adams. The question is why did the United States side with Great Britain? That's your question?

Q. I'll ask the question over. What are the plans of the United States—what is the U.S. Government planning to—plan in the war between Great Britain and Argentina?

The President. Oh, what of our plans, ah. Well, from the very first—this is the Falkland dispute down there—and the thing that is going over that little island with about 2,000 people on it or less has been there for so many years, and the dispute goes clear back hundreds of years to when once it was claimed by Spain and then it was claimed by Great Britain. And when the Argentines had a revolution and freed themselves from Spain, then about 150 years ago they started saying, "Well, that should have included that—those islands."

What we've been trying to do from even before the Argentines invaded the island, I was on the phone for quite a long time with President Galtieri of Argentina, begging him to turn that task force around that was headed for the islands and let us try to settle this issue peacefully. Well, they did land in the islands. And now we have something we cannot ignore in the world today, and that is someone, by aggression, by armed force, taking over a territory that claimed or belonged to someone else. That must not be allowed to succeed. At the same time, there is some legitimacy on the part of their claims as well as Great Britain. So, we have been trying to be a broker and arrange a peace between them.

So far, we have not been able to do that, and now blood has been shed on both sides. We're hoping there won't be any more of that. And the principal issue is the rights of the 2,000—the people that live on the island. And, so far, one country in the dispute has been willing to take into consideration what they want. Argentina has not yet given in to that, and the issue of difference now is will Argentina withdraw and then let the peacekeeping force from the United Nations or even from our own country—we volunteered—anyone to go down while they, then, continue to negotiate a settlement of whose flag should fly over those islands.

And we're continuing that, and we're still in those negotiations and still involved. And we now have the help of the President of Peru, who has also joined in. And that's what we're hoping will take place.

Q. Thank you.

Unemployment

Q. Mr. President, my name is Shonda Parks. Mr. President, you've been President for a year and a half now, and since that time inflation has come under control, but unemployment is up greatly, approximately 9.4 percent nationally and double that among blacks. So, Mr. President, what can you do, what can Congress do, what can businesses do, what can citizens do to alleviate the problem of unemployment?

The President. I wish I had a simple and an easy answer for that or, let me say, a quick answer.

There's no question about that being the greatest tragedy of what we call a recession. It is true we have brought inflation down from 12.4 percent. That means that every year your dollar was worth 12.4 percent less than it was at the beginning of the year. We've brought that down to where, for the last 6 months, it has been averaging about 3.2 percent. And, last month, inflation actually went below zero to the point that, instead of it just being a reduction in the inflation rate, prices actually went down. Now, I don't know that we can hold that that steady, but we do have it under control.

The biggest thing that is causing unemployment today—well, there are three factors involved, but the two principal ones out of the recession are—or the one, high interest rates. High interest rates have—people who normally buy automobiles buy them on time, but they can't pay the high interest rate today to buy them on time. People who build a house, they build it by taking a mortgage. They borrow money to build a house, and they pay it back every month, plus interest for, say, 20, 30 years. Well, they, again, can't afford 20 or 30 years of interest rates that—while they have come down—they were 21½ percent when we started—they're down around 16 or 17 percent. That's still too high. We've got to get them down farther.

Now, what puts interests rates up, for one thing, is inflation. If a lender has money to lend and it's in an inflation time so that every year the money is getting worth less and less, he has to charge enough interest rate to not only get some earnings on the money he lends but to also compensate for that loss of value. He cannot afford 20 years later to be paid back in dollars that are worth less than half of the dollars that he loaned. So, this has added to the height of the interest rates.

But today, with interest down, the only thing that is keeping the interest rates up is a lack of confidence out there in the money markets and in business that we're going to keep it down. We've had seven recessions before this one since World War II, and in every recession up until now the government has come in with what I call a quick fix. The government has come in with artificial stimulating of the economy, spending more money than we have, deficit spending and so forth, increasing the money supply. And for a little while, it's like taking a pill for a fever. The fever seems to go down, but then, when the pill wears off, the fever is right back. And we're not doing that this time. We put in place a program to reduce the increasing cost of government. And we have succeeded, so far, in cutting the increase in cost of government in half or better. We have brought inflation down and interest rates somewhat.

I believe the quickest way to get the unemployed back to work and to get our economy moving again is for the Congress to pass the budget which we have proposed, because I think this will send the signal to the money market that they can have confidence and lower the interest rates.

We've seen some of this happening from some bankers here and there. In Indiana, in Ohio, groups of bankers recently got together and decided to help particularly the automobile dealers. So, they took millions of dollars of bank money, and they lowered the interest rate on it if it was for loans to buy cars. And the result was almost an immediate upsurge in automobile buying once those interest rates are down. Now, we're trying to spread the word of that, too, and I'll be talking to some bankers myself next week. No, it's this week already. I'll be talking to them later this week to see if we can't convince them that our program shows the signs of working and will work and get them back to work.

In the meantime, we do have a job-training program that we have more confidence in—that we have proposed in the budget—than the past ones. We've had, in the Great Society programs, a lot of job-training programs that spent billions of dollars, and yet, unemployment kept growing worse. This unemployment didn't just start now. It's been coming on for several years.

A few years ago, before the Great Society, poverty was being reduced in this country, and the very figure that you mentioned, black unemployment, was decreasing faster than white unemployment. And then came the Great Society programs, and, strangely enough, with all that government spending, the poverty stopped being eliminated, in fact, started going up. And so did the unemployment rate and, particularly, in the minority communities.

We think that our program and this budget that we've introduced is the quickest answer to turning that around. The difference between our job-training program this time is that all of the money is going to be spent on job training. Those other Great Society programs, the biggest share of the money was spent hiring bureaucrats to manage the programs. I vetoed one such program when I was Governor. It was going to put 17 people to work helping keep the parks clean in a little rural county in California. But over half the budget was going for 11 administrators to see that the 17 got to work on time. And I thought that was a little out of balance, so I vetoed the program.

Education Loans

Q. Mr. President, my name is Michelle Stubblefield. Recently government-backed loans have been cut out for students who plan to enter into the field of nursing. My goal was to become a nurse, and without the help of a government-backed loan this is going to be very difficult.

First, why was the field of nursing selected? Second, will medical care suffer? And, third, does this mean that in the future nursing will be limited to the wealthy?

The President. Bless you, and I'm glad you asked that question about the college loans and so forth and the educational help. Much has been made of this, and it's been badly distorted in the reporting.

In our budget, there is provision for 7 million grants and loans. The changes that we've made are actually aimed at making them more available to people who have greater need.

We have found, for example, that many of these loans and much of this help was going to people whose family income was higher than it should have been. They really should not have been eligible for this help. And we're redirecting it to families of lower income, where it is needed.

It is true that one set of grants called the Pell Grants, we did reduce in order to spread them farther from $1,720 a grant to 1,600 a grant. But, as I say, this was to try and spread and make the help available to more people.

But with only 11 million full-time college students in the United States, 7 million loans and grants indicates that the Federal Government's not getting out of that business. So, we have not cut back. And this is true of a great many of the other programs that they've suggested that they be cut.

The Department of Health and Human Services, which handles the programs to help the needy, to help the disabled, to help the poor, their program will be 8 percent higher, their budget in '83, than it is in '82, and that's $20 billion more money being spent. And yet you don't hear that. That's been a well-kept secret. We haven't been able to get people aware that the only cuts we've made are really cuts in the increase in spending.

So, I can assure you that that help will be there, those of you who'll want to call on it.

Q. Thank you.

The President. You bet.

Policy Initiatives

Q. Mr. President, my name is Sherry Weatherly, and I would like to know if you could tell us about the last major political decision made by you that didn't get the results that you expected.

The President. The last major decision made by me, and did it have the result——

Q. That didn't——

The President. You weren't asking for any particular——

Q. Just the last one that didn't get the results you expected.

The President. Well, the—[*laughter*]—I think there are a number of decisions we've made. For example, I've—and I know you won't find this out of the ordinary—I have announced that I'm going to ask Congress to reinstitute prayer in schools. I don't think God should ever have been expelled from the classroom. But that has to be passed by Congress yet. I've asked also for an amendment to balance the budget.

I'm trying to think of programs—well, the major program would be the economic program, the reform program that we passed, which did come in the budget sense of reducing the increase in cost and the tax cuts, to provide incentive to provide more work.

The last time anyone in this government ever tried that kind of a tax cut to help the economy was John F. Kennedy. And the same people mainly that are criticizing me for wanting tax cuts criticized him. And he wouldn't listen, and he went forward with his tax cuts. And the result was an immediate broadening of the base of the economy, an increase in employment, a decrease in unemployment, and business was just fine. And I think the same thing is going to happen.

So far, we only went into effect with a 5-percent cut last October. July 1st will be the first real cut, and that will be the 10-percent cut in the income tax, and then another one in 1983. I think we're going to see more improvement. Right now, farm prices, in spite of inflation going down, have gone up, and our farmers are getting a better price than they have been getting.

The inflation is the biggest single factor. That's the biggest difference. When we took office, the doomcriers were telling us that it'd take at least 10 years to cure inflation. Well, it's been a year and a half, and last month it was zero or less.

I think our program is working. And I think that those economists who have watched the scene for a long time are the ones that tell us that it is the proper program to have in place. So, I didn't know whether you were asking about some specific decision or just what I say about decisions.

Q. I was asking you to tell us about the last decision you made that didn't get the results you expected.

The President. Oh, wait a minute. I have a beaut that I'd like to tell you about—[*laughter*]—yes.

I was under the impression—and maybe I was wrong—I didn't know there were any court cases pending—but I was under the impression that the problem of segregated schools had been settled, that we have desegregation. But I was getting complaints—and even before I got here as President, I was getting complaints that some of the Internal Revenue agents, the tax collectors that collect the income tax, were harassing some schools, even though they were desegregated—but harassing them and threatening them with taking away their tax exemption—which educational institutions have—if they didn't oh, set up scholarship programs or go out actively recruiting and take steps to try and increase their efforts at desegregation. And I didn't think that this was the place of Treasury agents to be doing this. So, I told the Secretary at Treasury that I didn't think that. I think as individuals we get harassed enough by the Internal Revenue collectors. And I didn't know that there were a couple of legal cases pending.

And all I wanted was that these tax collectors stop threatening schools that were obeying the law. And as it developed, this turned out that it was turned around and said that I was trying to provide tax exemptions for schools that still practiced segregation. Well, I didn't know there were any—and that maybe I should have, but I didn't. And it was a total turnaround of what I had intended with what I said to the Secretary of the Treasury.

So, I said, well, if that's the case, let's get some legislation up there and let the Congress pass it that makes sure that there are no desegregated schools—or any segregated schools, I mean.

And, yes, that one went wrong and this is the first time anyone's ever publicly asked me to try and explain what I was doing. I'm happy for the chance.

Providence-St. Mel High School

Q. Mr. President, my name is Leavy Craig, and I would like to know—just a minute——

The President. And say, that mike is pretty directional. Tilt that mike up a little bit so you're right into it.

Q. Of all the high schools in the United States, why exactly have you chosen Providence-St. Mel to visit?

The President. Why did I choose this one to visit? I only heard about it a week or two ago, and I read about it, and I saw some stories about it on television. And I said, this I have to see.

We have appointed a private initiatives task force. This is a group nationwide to try and find where we can get volunteer help for worthwhile efforts, for things that are going on that the people are doing for themselves, not just waiting for government to do it. And I just wanted to see this. And I also wanted to come here, very frankly, and meet your principal, because if ever there's an instance of what one person can bring into being and cause to happen, he's made it happen here.

You must be aware that there are millions and millions of parents all over this country terribly dissatisfied with the education their children are getting in schools—the lack of discipline and everything else. And with that deterioration in so much of education you are such a shining light that, as I said in the beginning, I want to spread the word. This is the way it should be done. You're doing it.

Q. Thank you.

Nuclear Weapons

Q. Mr. President, my name is Corlis Phillips, and I would like to know why does the United States have to have nuclear weapons instead of just relying on conventional weapons?

The President. This question's being asked, I know, a lot, and this is why yesterday I made my speech about a reduction—because nuclear weapons do exist and because the Soviet Union has built up such an arsenal of nuclear weapons.

Up until now, the only deterrent that you have—because there is no defense against that weapon—so the only defense is that you have to be able to threaten them that it can happen to them if they try to make it happen to someone else. And, as a matter of fact, we've been kind of the umbrella of protection for our allies in Europe, for Japan, for other countries in having this arsenal.

Now, the Soviet Union has gone beyond us. It's reached the point that there's just no reason in it, and it is too dangerous to have these things pointed at the world. In Europe, for example, the Russians had a missile called the SS–20, a nuclear missile. It was called an intermediate range, because it couldn't come across the ocean and hit us, but it was targeted on all the cities of Europe. And Europe had nothing to counter it. So, our NATO allies asked us if a weapon that we have designed, called the Pershing missile, could be made and installed in Europe to counter this threat of the SS–20 so the Russians would know if they tried to use those, the Europeans had something to use back.

And I challenged, in November, the Russians to join us in a total elimination of those weapons. And right now we have a team in Geneva, Switzerland, negotiating with the Russians, and we have put on the table a treaty calling for a total elimination of their SS–20's and no implanting of our Pershing missiles in all of Europe. And, so far, the Russians—their first offer was back, they suggested that we freeze the weapons the way they were. Well now, you can figure out what that means. They wanted to freeze the weapons with 900 nuclear warheads aimed at Europe, and Europe has none aimed at them. I don't think that's a very fair freeze. So, we're trying to get those eliminated.

Now we want to go into negotiations on all of them, but it has to be—we can't do it unilaterally. Can you imagine what would happen in the world if you left the Soviet Union, with its pattern of aggression, with the fact that what it's doing in Afghanistan, how it's shown that it wants to interfere in other countries—if we did away with ours and left them with those thousands and thousands of missiles, that in 28 minutes from the time someone pushes the button could be hitting the targets in our country? So, we have said to them, "All right. Let's both of us start reducing those weapons down, keeping—and being equal, and get them down to where they don't constitute the threat. And of course the ultimate goal that we could all dream of is the same one that's in Geneva now, getting rid of them forever.

And believe it or not, you can be proud of your country. Under President Eisenhower, a number of years ago, this country, we had the weapon then, and the Soviet Union was just beginning to try and build them. But we had them, and President Eisenhower offered to the Soviets and to the world to turn all such weapons over to an international body like the United Nations and take all of them away as a threat between nations. And the Soviet Union refused. So, we're going to try again.

Q. Thank you.

Gun Control

Q. My name is Toni Duffy——

The President. Oh, could I just finish with the three that are there, then?

All right. He tells me my time is up. We'll take these three then. I'm sorry.

Q. ——and I would like to ask you what are your feelings concerning gun control?

The President. What?

Q. What are your feelings concerning gun control?

The President. Oh, feelings concerning gun control. I would like to tell you something we did in California that I think's the only answer. I don't believe that taking guns away from honest people is going to keep the criminals from getting them.

There probably are no stricter gun controls in the world than those in Washington, D.C. There are over 20,000 gun-control laws in the United States today. But the fellow that decided to use me for target practice a year ago last March, there he was on the street at 2 o'clock in the afternoon in spite of all those laws against it, and he had a gun.

What we did in California is what I recommend is the answer. We passed a law when I was Governor that said that anyone who commits a crime, if he had in his possession a gun at the time he committed the crime, whether he used the gun or not, add 5 to 15 years to the prison sentence—and no probation, he had to go to prison. And I think that might take some of the guns out of the pockets of the criminals.

Foreign Relations

Q. Mr. President, my name is Matthew Hicks, and my question is if the United States is a democracy, why do we support and are allied to countries such as Argentina and South Africa which are dictatorships?

The President. What we're trying to do, we've had in the past abandoning those countries, saying we won't do any business or have any relations with them. And it didn't accomplish anything. And in many instances—not those two particular countries—but a number of other countries in the world, emerging countries, wound up with even more authoritarian governments than the dictatorships you name. They ended up under the totalitarianism of Soviet-inspired communism—Angola, policed by Cuban troops that the Soviet has put there; South Yemen; Ethiopia; countries of that kind.

My belief is that we can do better with what I have called quiet diplomacy, that, no, we don't approve of the practices in some of those countries, but let us befriend them and then let us quietly and behind the scenes try to persuade them that there is a better way to live. In other words, our democracy.

Once to a political leader that you say out in the paper and make a big charge and say, "You've got to do away with this" or "you've got to change this," you've made it almost impossible for him to do that. Being a politician, he can't in the eyes of his own people, give in to the demand of someone in another country. But if you go to them and say, "Hey, look, we'd like to do business with you and we'd like to have trade with you and so forth, but it's kind of difficult. There are some political problems in our own country, in our democracy, because of things that you're doing that aren't democratic." But you say it to him quietly.

Now, let me give you an example of the President a few years ago who did that with the Soviet Union and the emigration of Jewish people. They were not allowing them to leave the Soviet Union to move to Israel. But I happen to know the President who went to Mr. Brezhnev and told him of some of our political problems here in this country and how they interfered with our trying to get along better with them. And about a year later you woke up and realized that about 35- or 40,000 Jewish people a year were leaving Russia and going to Israel. And this is what we're practicing.

We're not just putting a blessing on those countries. We're trying what we think is a more practical way to get the job done.

Q. Thank you.

Federal Budget

Q. My name is Kenneth Brian Hawkins, Mr. President, and I'd like to ask you, how do you plan to eliminate unnecessary government spending and reduce the Federal deficit?

The President. The budget that we've submitted is just a classic example of that that I've already talked about. You see, when a budget is passed—and I know we use the term "budget cuts." We haven't cut any budget. If cutting a budget would mean that we've asked for a budget next year that's smaller than this year's—we haven't. The budget next year is going to be considerably larger than this year's, as this year's is larger than last year's.

The difference is when a budget is established and the Congress builds in some program that they say, "Okay. These are ongoing programs and they're automatic," the ones they call uncontrollable, meaning that every year, automatically, without Congress doing anything, the spending for these budget items goes up. And the result was that the 1980 budget to 1981 that we inherited was a built-in increase of 17 percent a year. Well, your tax revenues don't increase 17 percent a year, and that's why you have deficits. And we've been having them for 40 years now.

So, what we have done is trim that expected increase and say it doesn't have to go up that high, to get Congress to agree to set some controls on the so-called uncontrollables. And the result has been that next year's budget, if it is passed as we submitted it, will be bigger by 6.9 percent. But that's a lot different than 17 percent. And the projected deficits for the next 3 years, if we don't do anything, are $182 billion for 1983; 233 billion for 1984, and a figure higher than that—I forget the exact figure—for 1985. Well, this means deficits getting bigger and bigger, and already a hundred billion dollars of our annual budget is just for interest on the debt.

Now, if our budget is adopted, next year's budget won't be—or deficit won't be 182; it will be 106 billion. The next year's budget won't be 233; it'll only be 69. And the third year's budget won't be more than 233; it will be 39. In other words, the deficits will be coming down. And you can see at that rate where a year or two beyond that, they will be balanced. And then we can begin whittling that debt and lowering that hundred billion dollars a year in interest payments.

So, this is what—this is the way, the only way to get at it. Now, our opponents, who are opposing us on this, have said, no, the only answer is to raise taxes to eliminate the deficit. But we raised taxes between 1976 and 1981 by $300 billion. And we had $318 billion in deficits in those same 5 years. So, we think that taxes can't keep up with deficits. You have to lower that increase in the government rate of spending.

Now, I just want to say one thing to you, because I can't take any more questions—to all of you.

I've had to answer some of your questions with some figures of what I claim are facts. Don't let me get away with it. Check me out. Make sure that what I told you checks out and is true. But do that to everyone else who also comes before you and sings a song and tries to tell you something. Don't be the sucker generation. Take a look at it and say, "It sounds good. I'll find out for myself if it's true."

Now, that doesn't just mean finding someone of the opposite viewpoint who says, "Everything he told you is wrong." No, really check it out. Find out if our budget is going to reduce those deficits the way we said it would. And I know that all that information is available.

Could I just—because I'm in the presence of a man that—a hero of mine. Could I—I know that young people don't like to hear about war or anything, but could I tell a little story that I kind of like?

Mr. Adams. Yes, sir, Mr. President. [*Laughter*]

The President. You know that reminds me of when I was first in this job and some of those men in uniform would salute me as the Commander in Chief. Having been in the service, I knew that you don't salute when you're not in uniform. And it was bothering me. I'd try to nod to them, but they'd just stand there with that salute. And, finally, one day I said to the Commandant of the Marine Corps, I said, "You know, there ought to be a regulation that if the President is the Commander in Chief, that he ought to be able to return those salutes." And the general said, "Well, Mr. President, I think if you did it, no one would say anything about it." [*Laughter*] So, I now return the salute.

But the story that I want to tell you—and I hope you'll appreciate—it was in the Vietnamese war and a captain with a platoon of men and a typical American army platoon—black, brown, white—within a warehouse stored with ammunition. And they were unloading a new shipment of ammunition. And one man dropped from way up on the top of a—stacks of ammunition, a crate of hand grenades. And the crate smashed, and they rolled all over the floor.

Now, only one of those in that whole

warehouse was going to go up, and the captain ordered everyone out. And they got out, and they waited, and nothing happened. And then the captain said to the platoon, "Wait here." And he went back in, and he picked up a grenade and—he'd taken some adhesive tape with him—and he taped the pin down so that it couldn't go off and detonate. And it worked. And he then went outside and told his men what he had done and got them all tape, and he said, "Now we'll go in and pick up the grenades." And he showed them how to tape them.

I would say that in the traditions of an officer, the man in command who has to make sometimes some unhappy decisions, he had exemplified the highest standards of being an officer, in that he went in and he took the risk and did not endanger his men until he had proved that it would work. And I just thought that you might like to know that that captain was black.

And I think it exemplifies what so many of us dream today, that what lingering separations there are, what lingering divisions between our people—and, sure, there are rednecks and bigots, and there are people that are prejudiced on all sides and for whatever reason, religion and everything else. But I think there was an example of what real America can be and what I think the overwhelming majority of us, regardless of our religion, our race, or our ethnic background, want America to be. And we must keep in mind at all times that all those other people are out there wanting the same thing, and we continue to work for that.

Thank you very much.

Mr. Adams. Thank you, Mr. President.

Note: The President spoke at 2:44 p.m. in the school auditorium. Prior to his appearance before the students, the President met privately with Mr. Adams.

Following his visit to the school, the President returned to Washington, D.C.

Nomination of Richard R. Burt To Be an Assistant Secretary of State

May 10, 1982

The President today announced his intention to nominate Richard R. Burt to be Assistant Secretary of State for European Affairs. He would succeed Laurence S. Eagleburger.

Since January 1981, Mr. Burt has been serving as Director of the Bureau of Politico-Military Affairs at the Department of State. Previously he was the national security affairs correspondent for the New York Times, covering foreign policy and defense issues in Washington, including the State Department, the Pentagon, the National Security Council, the Central Intelligence Agency, and Capitol Hill. Mr. Burt has served as assistant director of the International Institute for Strategic Studies in London; was a research associate at the International Institute for Strategic Studies; worked as an advanced research fellow at the U.S. Naval War College in Newport, R.I.; and was an adviser on defense and arms control to the House of Representatives Republican Wednesday Group.

Mr. Burt received a B.A. in government (honors program) from Cornell University in 1969 and an M.A. in international relations from the Fletcher School of Law and Diplomacy at Tufts University in 1972. He passed his doctoral examinations at the same institution in 1973 "with distinction." He is the author of many scholarly articles on European security and strategic affairs. He was born February 3, 1947.

Nomination of James L. Buckley To Be Counselor of the Department of State

May 10, 1982

The President today announced his intention to nominate James L. Buckley to be Counselor of the Department of State. He would succeed Robert Carl McFarlane.

Mr. Buckley has enjoyed a distinguished career in public service, as well as in the practice of law and private business. As the new Counselor of the Department of State, an Under Secretary-level position, Mr. Buckley will be a principal officer of the Department performing in a greatly expanded Counselor's role. Mr. Buckley will be charged with the performance of sensitive, high-level missions on behalf of the Secretary of State. Mr. Buckley will also deal with sensitive, functional foreign policy matters, as requested by the Secretary.

Mr. Buckley began his career in 1949 as an associate of the New Haven, Conn., law firm of Wiggin & Dana. In 1953 he left the practice of law to become an officer and director of the Catawba Corp., a privately owned firm providing a variety of services to a group of oil and gas exploration companies operating primarily outside the United States. During the next 17 years, he was actively engaged in business negotiations in a number of countries in such areas as Southeast Asia, Canada, Latin America, Europe, and Australia.

In 1970 Mr. Buckley was elected United States Senator from New York and served until 1977, when he returned to private life as a business consultant and corporate director. He returned to public service in February 1981 when he was sworn-in as Under Secretary of State for Security Assistance, Science and Technology.

Mr. Buckley married the former Ann Frances Cooley in 1953. They have five sons and one daughter. He was born in New York City on March 9, 1923.

Proclamation 4942—United States-Korea Centennial

May 10, 1982

By the President of the United States of America

A Proclamation

On May 22, 1882, representatives of the United States of America and the Kingdom of Korea concluded a Treaty of Peace, Amity, Commerce, and Navigation providing for the opening of diplomatic relations and the establishment of permanent resident missions in each capital. This Treaty marked a new chapter in the history of northeast Asia and was the auspicious beginning of an enduring partnership between the United States and Korea.

The intervening century has witnessed enormous change and progress in our two nations. Our relationship began when both of our nations were largely isolated from the main currents of world life. A century later, Korea and the United States are heavily engaged in all aspects of international endeavor. We have undergone remarkable social and economic transformations as well—from largely rural agricultural societies 100 years ago to the urban industrial economies of today. And, in the process, we have come to enjoy unprecedented levels of prosperity.

Americans are proud of the role they have played in Korean history, especially during these last 100 years. In 1945, American soldiers were crucial to the restoration of this ancient land's independence. Just five years later, Americans fought side-by-side with Korean soldiers in the struggle against the Communist invasion of 1950. Korea, in turn, made a major contribution to the United States' efforts to defeat Communist aggression in Vietnam.

Throughout this period, Americans and Koreans have enriched each other's cultures through the exchange of teachers, scholars and missionaries, and each other's economies through trade and scientific and technological cooperation. The United States applauds and welcomes the valuable contributions that citizens and residents of Korean ancestry have made and continue to make to our society.

Today Americans share many common values with the people of Korea. We believe that only in an atmosphere of freedom can full human potential be realized. We both have set high standards for education and achievement. We believe that an environment of free enterprise encourages initiative and innovation. And we both believe that hard work and diligence will lead to a better life and a better world for our children.

As we enter this second century of our relationship, we can look with satisfaction on our past accomplishments and with anticipation to the future. We will stand by our friends in Korea. In so doing we reaffirm our dedication to the principles of freedom and democracy as the basis of our continued strength and friendship. It is fitting then, that we now reflect upon our relations with this great nation and its people.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim the week of May 16 through May 22 as a week of national observance of the centennial of the establishment of diplomatic relations between the United States and Korea and of the ties of friendship that bind our two peoples.

In Witness Whereof, I have hereunto set my hand this 10th day of May, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 4:16 p.m., May 11, 1982*]

Note: The text of the proclamation was released by the Office of the Press Secretary on May 11.

Nomination of Donald D. Engen To Be a Member of the National Transportation Safety Board

May 11, 1982

The President today announced his intention to nominate Donald D. Engen to be a member of the National Transportation Safety Board for a term expiring December 31, 1986. He would succeed James B. King.

Mr. Engen is currently serving as senior associate for professional development and training of Ketron, Inc., in Arlington, Va. He was general manager, Piper Aircraft Corp., Lakeland Division, in Lakeland, Fla., in 1978–1980. He served in the U.S. Navy as Deputy Commander in Chief, U.S. Atlantic Command and U.S. Atlantic Fleet, Norfolk, Va., in 1976–1978. He was commissioned ensign in the U.S. Navy in 1943 and progressed through ranks to vice admiral in 1976. He retired from the Navy in 1978.

He graduated from George Washington University with a B.S. in business administration. In addition, he graduated from the U.S. Naval War College. He is married, has four children, and resides in Alexandria, Va. He was born May 28, 1924.

Nomination of Eleanor Thomas Elliott To Be a Member of the National Advisory Council on Women's Educational Programs

May 11, 1982

The President today announced his intention to nominate Eleanor Thomas Elliott to be a member of the National Advisory Council on Women's Educational Programs, for a term expiring May 8, 1985. She would succeed John W. Fuller.

She has been serving as director of the Foundation for Child Development since 1970. In addition, she has been a member of the advisory board of the American Women's Economic Development Corporation in New York City since 1978. She also serves as a director of the Celanese Corp. and of Catalyst, Inc., both in New York City. She is a trustee of Barnard College and is director of the United Way of Greater New York.

Mrs. Elliott graduated from Barnard College (B.A., 1948). She is married and resides in New York City. She was born April 26, 1926.

Message to the Congress Transmitting an Exchange of Diplomatic Notes on Extension of the U.S.–U.S.S.R. Fishery Agreement

May 11, 1982

To the Congress of the United States:

In accordance with the Fishery Conservation and Management Act of 1976 (Public Law 94–265; 16 USC 1801), I transmit herewith an exchange of Diplomatic Notes, together with the present agreement, extending the governing international fishery agreement between the United States and the Soviet Union, signed at Washington on November 26, 1976, until July 1, 1983. The exchange of notes together with the present agreement constitute a governing international fishery agreement within the requirements of Section 201(c) of the Act.

I urge that the Congress give favorable consideration to this extension at an early date. Several U.S. fishing interests have urged prompt consideration of this agreement, and I therefore recommend that the Congress consider issuance of a joint resolution to bring this agreement into force, before the agreement expires on July 1, 1982.

RONALD REAGAN

The White House,
May 11, 1982.

Remarks at the Welcoming Ceremony for President João Baptista de Oliveira Figueiredo of Brazil

May 12, 1982

President Reagan. I am delighted today to welcome President Figueiredo and Mrs. Figueiredo to Washington. Over our many years of friendship with Brazil, Mr. President, your country has often been described as the nation of the future. Well, the future is here. Brazil is increasingly looked to not for its potential, but for its capabilities; not for what it will accomplish, but for what it is accomplishing.

We in the United States rejoice with the people of Brazil for the progress that you have made economically, politically, and socially, and look forward to expanding on the mature relationship we've developed. The ties that bind us are firm, with mutual respect and trust reinforced by time and shared values.

Our friendship, Mr. President, goes back to the early days of Brazilian independence, when the United States was the first country to recognize your sovereignty. Brazil was the first South American nation to have an Ambassador in Washington.

The American people will not forget, President Figueiredo, that in both the First and Second World Wars, Brazil joined with us to confront the threat to freedom. Since the war years, our two countries have collaborated on many fronts to meet diverse challenges to the security and well-being of our peoples.

Brazil is an independent force for moderation and balance in this hemisphere. And while our two countries have had disagreements, which is only natural and to be expected among friends, we have never lost that mutual respect and admiration so characteristic of our relationship.

Your leadership, Mr. President, is built upon the qualities of which I've just spoken. During a state visit to Colombia last year, you explained in extreme situations, political wisdom requires utmost levels of tolerance. We learned that tolerance and moderation don't bring bitter fruits and are uncontestable demonstrations of fidelity to the true ideal of democracy. This and other statements you've made speak well of your ideals and those of your country.

Mr. President, the motto of Brazil is "Order and Progress." And during these trying times, your country has proven that it takes these words seriously. Especially hard hit by rising energy prices, your government made an impressive commitment to do what was necessary to protect your people's standard of living and the Brazilian way of life. As a result of this commitment, your country is now a leader in the development of alternative energy resources, especially the use of alcohol as a fuel and the harnessing of hydroelectric energy.

That Brazil overcomes such obstacles is no surprise to us. We share a similar pioneer heritage. Our two peoples are also similar in that they represent a meltingpot of cultures and ethnic backgrounds. But the most significant comparison remains the respect for individual enterprise and diversity that has developed in our two countries.

The Amazon River is, to many, synonymous with Brazil. Its grandeur, enormity, and power stagger the imagination. But so too does Brazil. Let us pledge that we shall always remember, and never take for granted, the good will between us.

President Figueiredo, it has been 11 years since a Brazilian President honored the United States with a state visit. This is too long a period for nations which have so much to contribute to one another. Let us confirm that the personal bonds we develop through this visit will reinforce the friendship between our peoples.

Vice President Bush visited your country and consulted with your government in October. He reported to me the constructive and amicable approach with which he was met. So today, I look forward to our discussion. I have much to learn from you and seek your counsel on matters of mutual concern.

In your annual message to the Brazilian Congress last year, you said of Brazil: "We seek to understand and to be understood." Well, let this be the basis of our talks today. Two old friends in a period of change, honestly and with sincerity, seeking good will and understanding.

And with that said, President Figueiredo, I welcome you to the United States.

President Figueiredo. Mr. President, thank you for your words of welcome.

For over 150 years, Brazil and the United States have maintained balanced relations. Ours is a heritage of mutual esteem, understanding, and respect. My visit to this country is, therefore, only a natural development of our bilateral relations. Our relations with the United States play an important role in the framework of our foreign policy.

Brazil's progress is predicated upon the diversification and enhancement of its international presence. It is a Brazilian goal to better adapt our bilateral relations to the world of today. To this end, the exchange of information and ideas between our governments should be intensified.

Under the present difficult circumstances, I regard the opportunity of having an open discussion with you, Mr. President, as particularly positive. The harshest of realities demonstrate repeatedly that dialog is an invaluable diplomatic tool. I arrive in Washington willing to examine together with you the problems that concern us both in the political and economic fields. I'm willing to listen and to speak frankly and objectively.

We in Brazil wish to take a lasting and creative approach to the commonality of interests and values existing between us and your great country. The breadth and range of our relations encourage us to anticipate favorable results. As our countries have their own unique characteristics and play distinct roles in international as well as regional politics, it is only natural that differences of opinion should exist. We will endeavor to smooth them out through the exchange of ideas, views, and clarifications.

Mr. President, it is a known fact that in Brazil we are going through a specially significant chapter of our political history during which democratic institutions are being consolidated. From a diplomatic standpoint, we adopt a universalistic approach. Our foreign policy is diversified. Brazil is both a Western and a Third World country. It is a Latin American country with a strong African heritage, among others. Brazilian foreign policy endeavors to reflect this wealth of historical experience.

In a world where crises multiply, diplomacy must continue to build bridges between states. Even in times of despair and conflict, agreement, however difficult, has to be found. In the international sphere, some impasses still remain, such as the issue of nuclear disarmament, of vital importance for the destiny of mankind. The North-South negotiations do not progress. Forging links of cooperation among peoples has never been so vital and so urgent.

Americans and Brazilians have built a tradition of friendship throughout history. In times of crisis, we must resort to mutual inspiration and counsel. The purpose of Brazilian diplomacy is, in essence, to strengthen the ties of mutual confidence among the countries of this continent so that the spirit of conciliation and peace may prosper.

These are the foundations for my dialog with you, Your Excellency. Our governments are accustomed to mutual understanding. Such is our tradition. May such be our future.

Note: President Reagan spoke at 10:13 a.m. on the South Lawn of the White House, where President Figueiredo was given a formal welcome with full military honors. President Figueiredo spoke in Portuguese, and his remarks were translated by an interpreter.

Following the ceremony, the two Presidents met privately in the Oval Office. They were then joined by the Vice President, Secretary of State Alexander M. Haig, Jr., Brazilian Foreign Minister Ramiro Elysio Saraiva Guerreiro, and Brig. Gen. Danilo Venturini, Chief of the Military Household of the Presidency. The Presidents, together with their delegations, then met in the Cabinet Room.

After the bilateral meetings had been completed, President Reagan and President Figueiredo met with members of the Brazil-U.S. Business Council in the Roosevelt Room.

Toasts of President Reagan and President João Baptista de Oliveira Figueiredo of Brazil at the State Dinner

May 12, 1982

President Reagan. President Figueiredo, Mrs. Figueiredo, distinguished guests, it's an honor and a privilege for Nancy and myself to welcome you to the White House.

The timing of this visit gives us an unexpected opportunity. Yesterday was Mrs. Figueiredo's birthday. [*Applause*] I hope you'll—well, you already have joined me in wishing her a very happy birthday.

Mr. President, our discussions this morning were satisfying and enjoyable. We spoke freely and frankly, expressing both agreement and disagreement in the same friendly candor. The personal contact we've made and the rapport that we've developed can only serve the interest of both our countries.

I had a particular interest in getting to know the President, not only because of my admiration for Brazil and its people but also because of the courage and the steady hand that he has demonstrated in guiding his country through an especially challenging period in Brazilian history. Mr. President, I have always maintained that when the job to be done is really rough, the horse cavalry can provide the man to do it. [*Laughter*] And your record bears me out. The President is of the third generation of horse cavalry in his country.

In your annual message to the Brazilian Congress this year, you restated your belief in those ideals that have guided your administration. "The democracy I envision," you said, "is dynamic and creative. In keeping with this—basic principles, such as private property and free enterprise, which are the bases of freedom itself, will serve the individual society and the ideal of distributive justice." Well, Mr. President, your commitment to liberty is most encouraging in a world that's grown darker, made so by totalitarian forces.

As President, you have provided your people with innovative and responsive government. In fact, while preparing for our meetings, I came across an idea Americans might do well to emulate. The Brazilian Government has a Cabinet Minister—and I believe he's with us here tonight—whose only job is cutting redtape and returning government programs to the private sector. His title is Minister of Bureaucratization—[*laughter*]—De-Bureaucratization. Someone, I hope, is taking notes. [*Laughter*]

During the welcoming ceremonies this morning, much was said about the long history of friendship between our people. For 158 years our peaceful and amicable relations have been maintained without serious disruption, a tribute to the common sense and common interests of both our peoples. I mentioned our camaraderie during the Second World War, but most significant has been our good will in times of peace.

Mr. President, your visit coincides with one of the most serious challenges to peace this hemisphere has known. I think you know how hard the United States, linked by friendship to both countries involved in the South Atlantic conflict, worked to prevent war and then to bring peace. We all hope and pray that peace efforts now underway in New York will yield fruit.

For our part, the friendship of all countries in the hemisphere is precious to us just as Brazil's is. And we will work to make sure that the inter-American system on which the peace and justice of the hemisphere rest emerges from this time of trial not weakened, but reinforced.

Mr. President, we live in a world dramatically different from the way it was at the close of the Second World War. Every country is now dependent on the cooperation and good will of others. We don't long for days gone by, but instead look to the days ahead, because we see tremendous new opportunities unfolding every day. Let us remember the changing times have not altered the affection between us.

And now, may I ask you all to join me in a toast to the President and Mrs. Figueiredo and to the people of Brazil.

President Figueiredo. Mr. President, distinguished guests, thank you, Mr. President, for your kind words. I believe they convey appreciation for my country and underline the traditional friendship between our peoples.

As a Latin American nation, Brazil has, during the 500 years of its history, helped to build the West. Through the centuries, our contribution has varied, but we have never spared sacrifices, including human lives. Our dialog, Mr. President, has taken place within this broad context.

Brazil is also a developing country. Thus, we share the problems, goals, and aspirations of those states, which today account for most of mankind. This consideration was equally present during our conversations. This is a moment of deterioration of the international political life and of economic crises. My government believes it essential that the West, in which your country plays such a vital role, deploy its best possible efforts to reinforce its ties of mutual trust with the developing world.

I am convinced that the industrialized West should avoid both the temptations of isolationism and of adopting measures geared to its unilateral interests alone. The West should, rather, join in the dialog both on a global level—and I mean here the North-South negotiations—and on more localized political and economic problems and crises.

Mr. President, the opportunity of being in Washington to hold conversations with Your Excellency and to receive high government officials has been extremely valuable. We have exchanged views about problems that are a matter of concern to us and to countries with which we have close and friendly relations. On the one hand, we have reviewed the concrete difficulties with which we are faced. An on the other, we have looked into the wide prospects for reinforcing and diversifying our mutual ties. We have thus given new impetus to our bilateral relations.

I certainly wish to express my gratitude for the warm welcome extended to us by the American Government and people. I will return to Brazil convinced that we have laid the groundwork for the future development of relations that date back to the independence of our country. Such relations are guided by the principles of mutual understanding and respect, as well as by appreciation for the specific interests of each of our countries.

Mr. President, on my own and my wife's behalf, allow me to invite all those present to raise their glasses in a toast to the relations between Brazil and the United States and to your and Mrs. Reagan's personal happiness.

Note: President Reagan spoke at 9:48 p.m. in the State Dining Room at the White House. President Figueiredo spoke in Portuguese, and his remarks were translated by an interpreter.

Message on the Observance of Police Week, Peace Officers' Memorial Day, May 1982

May 13, 1982

I am pleased to have this opportunity to bring deserved recognition to National Police Week and Peace Officers' Memorial Day.

Over the generations, the protection of the individual and the pursuit of justice have been the responsibility of our police officers. They stand as the guardians of the fragile thread of order and civility that separate a civilized society from mankind's barbarous past. Police officers shoulder the trust of their fellow citizens in their daily effort to provide the protection and service that are increasingly important to our nation.

Those officers who have made the supreme sacrifice have demonstrated their devotion to the fundamental values of decency so essential to the well-being of American life. Those men and women who have carried the cause of justice to the grave deserve not only our respect but our heartfelt gratitude and affection. For without law and order, our society would soon crumble, dashing the dreams of our forebears and mocking the heroes and heroines whose sacrifices have made this great land a beacon of hope and a symbol of freedom for the world.

It is most fitting that all Americans pay tribute to police officers and that we join with them and the families of their fallen comrades in honoring the memory of those who have lost their lives while protecting their fellow citizens and communities.

RONALD REAGAN

Remarks on Presenting the Small Business Person of the Year Award

May 13, 1982

Good morning, and welcome to the White House again. It's always an honor for this House to welcome those who so clearly represent America's values. I have said before that small business is the heart and soul of free enterprise, and today we are honoring the individuals who are the embodiment of that heart and soul—the small businessperson. We are paying tribute to the people who are out there creating new jobs, inventing products, and expanding the economy—and I think, in this recession that we're in, I could say, and who are hurting very much.

Teddy Roosevelt once pointed out that "it ought to be evident to everyone that business has to prosper before anybody can benefit from it." Well, unfortunately, it's not evident to enough people in this town. Over the years, they've taxed and shackled and burdened small business. For many small business firms, just surviving in the business climate of the last 5 years has been a daily struggle.

We've tried to take hold of the problems facing small businesses and begin to turn them around. Let me give you the details of what we're doing here because, if you will forgive me, I think it adds up to a pretty good record.

First, we enacted a tax program that provides real help for the small business community. The 25-percent reduction in personal tax rates could easily be called a small business tax cut, since at least 85 percent of all United States firms pay their taxes by personal rates, not corporate ones.

The tax program also includes such provisions as accelerated depreciation and higher allowances for Keogh plans and IRAs, and the estate tax exemption is of special help to farmers and family-owned businesses. We cut the growth in Federal regulations by a third; plus we cut, from 10 years to 5, the deadline for Federal agencies to review existing regulations and spot those harmful to small business. I don't think it should take 10 years to find out that a regulation doesn't make sense.

We don't want the Government to be a deadbeat, either, so I will soon sign the Prompt Payment Act to make sure the Government pays its debts on time. I'd sign the act today, but the Government didn't pay its pen bill, so I didn't have anything to write with. [*Laughter*]

I know that representatives of the Small Business Slow Pay Coalition, along with their leader Kenton Pattie, are with us today. You all deserve a tip-of-the-hat and congratulations in appreciation for your efforts. And I agree with you completely: Government contracts should be paid the same as any other business contracts—on time.

You know, this was a terrible problem. As interest rates soared last year to over 20 percent, thousands of businesses had to borrow, while waiting for their own government to pay up. In effect, the Government was borrowing interest-free from small business. It wasn't fair, and with the coalition and its help, we're going to get things set straight.

We're also supporting policies that'll give small businesses a fairer chance to compete for Federal aid opportunities. Another priority is to get the Federal Government out of competition with private industry in providing goods and services to be used by the Federal Government. This is work that small business could be doing and could be doing profitably, and yet at lower costs to the taxpayers.

Meanwhile, over at the Small Business Administration Jim Sanders is shaking things up, the better to serve your interests.

Now, in terms of the economy itself, the inflation rate is drastically down from when we took office. Interest rates are also down, but obviously that's not good enough, because they're still killing you. I think we'll see real progress on interest rates once the financial markets finally wake up to the fact that not only is inflation coming down, but this time we're going to keep it down.

You here today understand that it takes time to make an enterprise or an economic program work. Well, we spent our first year putting this business together, and we just opened the doors, really, in October. We've got a good product, and we're confident that this will be a successful venture. I'd be elated if it were anywhere near as successful as the three award winners that we have here today.

To our honorees, Edward Shorma, Atilano Cordero-Badillo, and Richard Mystrom, just let me say, "You wouldn't like to lend a hand on the budget, would you?" [*Laughter*]

Seriously, these gentlemen represent not only the entrepreneurial spirit but the voluntary spirit as well, because you're each involved in your home communities. You not only have America's congratulations on what you've accomplished, you've got our thanks.

And now, I'd like to hand out the awards; shake these gentlemen's hands.

And I shall start with the second runner-up, Richard Mystrom, Anchorage, Alaska. In 1972 Richard Mystrom went to Alaska with his wife and 8-month-old baby with only $700 in his pocket, and today he is president of Mystrom Advertising, with revenues of $2½ million a year, and awards for creativity and innovation. And he also is very active in community and civic affairs.

Mr. Mystrom, congratulations.

And the first runner-up, Atilano Cordero-Badillo—I hope I have that name pronounced right. He opened a small grocery store 12 years ago in Puerto Rico with $3,000 in cash and a $2,000 loan. And today his sales exceed $50 million a year with over 400 employees. He also sponsors annual scholarships in Puerto Rico and works in a variety of ways for his community.

Congratulations.

And now the winner, Edward F. Shorma, Wahpeton, North Dakota. Edward Shorma, a Korean war veteran, mortgaged the family car and borrowed $1,500 in 1953 to buy a shoe repair shop in North Dakota. During his first year of operation, he grossed $5,400. Today, he has expanded it into a $7 million-a-year business, employing 180 persons, as well as utilizing the work of 40 handicapped workers in their homes and in sheltered workshops.

Congratulations.

Well, that concludes the ceremony, and they told me that I'm supposed to get back inside. I think maybe I've told you before about the young lady, 11 years old, who wrote me a letter the first week I was here. And she gave me sound advice on international affairs, she told me what I could do about economic affairs and so forth, and then added a p.s. and said, "Now get back to the Oval Office and get to work." [*Laughter*]

So, thank you all very much, and congratulations to all of you.

Note: The President spoke at 11:30 a.m. in the Rose Garden at the White House. The awards ceremony was part of the Small Business Week activities.

The President's News Conference
May 13, 1982

Arms Reduction

The President. Good evening. I have a statement to read.

Four times in my life, I have seen America plunged into war—twice as part of tragic global conflicts that cost the lives of millions. Living through that experience has convinced me that America's highest mission is to stand as a leader among the free nations in the cause of peace. And that's why, hand in hand with our efforts to restore a credible national defense, my administration has been actively working for a reduction in nuclear and conventional forces that can help free the world from the threat of destruction.

In Geneva, the United States is now negotiating with the Soviet Union on a proposal I set forward last fall to reduce drastically the level of nuclear armament in Europe. In Vienna, we and our NATO allies are negotiating with the Warsaw Pact over ways to reduce conventional forces in Europe.

Last Sunday, I proposed a far-reaching approach to nuclear arms control—a phased reduction in strategic weapons beginning with those that are most dangerous and destabilizing, the warheads on ballistic missiles and especially those on intercontinental ballistic missiles.

Today the United States and the Soviet Union each have about 7,500 nuclear warheads poised on missiles that can reach their targets in a matter of minutes. In the first phase of negotiations, we want to focus on lessening this imminent threat. We seek to reduce the number of ballistic missile warheads to about 5,000—one-third less than today's levels—limit the number of warheads on land-based missiles to half that number, and cut the total number of all ballistic missiles to an equal level—about one-half that of the current U.S. level.

In the second phase, we'll seek reductions to equal levels of throwweight, a critical indicator of overall destructive potential of missiles. To be acceptable, a new arms agreement with the Soviets must be balanced, equal, and verifiable. And most important, it must increase stability and the prospects of peace.

I have already written President Brezhnev and instructed Secretary Haig to approach the Soviet Government so that we can begin formal negotiations on the reduction of strategic nuclear arms—the START talks—at the earliest opportunity. And we hope that these negotiations can begin by the end of June and hope to hear from President Brezhnev in the near future.

Reaching an agreement with the Soviets will not be short or easy work. We know that from the past. But I believe that the Soviet people and their leaders understand the importance of preventing war. And I believe that a firm, forthright American position on arms reductions can bring us closer to a settlement.

Tonight, I want to renew my pledge to the American people and to the people of the world that the United States will do everything we can to bring such an agreement about.

And now I guess it's time for us to return to the conventional skirmishing, the question time.

Unemployment

Q. Mr. President, with business failures reaching the highest numbers in 40 years and no sign that your modified budget plan is making progress in Congress, what would you say to the Nation's 10 million unemployed about their prospects for finding work? And when will their situation improve?

The President. Their situation will improve—again I say, as I've said so often, that if you look back at the history of recessions, unemployment, tragically, is the last thing to recover. But it will improve, I think in the latter half of this year.

I do believe that there is every indication that this recession is bottoming out. But the main thing is, there isn't going to be any real improvement for anyone until interest rates come down. And the quickest way to get interest rates down is for the Congress to prove that it will attempt to reduce government spending—in other words, to pass that budget that has already been passed out of the Senate Budget Committee. And I think there's a very good chance of that. And I think that that will be the foremost step in answering their problem.

In the meantime, there are other things that we are trying to do. I have written letters to 5,000 business executives with regard to summer jobs. This is part of a program, a nationwide program. New York, last January, I kicked off their program, which now has 12,000 pledged jobs, particularly for disadvantaged youth in New York. Their goal is 15,000. And there are other things. We're spending all-in-all about $22 million—billion, I should say, in the present budget on problems of this kind for the people who have need.

Helen [Helen Thomas, United Press International]?

SALT II

Q. Mr. President, if wiping out the nuclear threat is so important to the world, why do you choose to ignore 7 long years of negotiation, in which two Republican Presidents played a part? I speak of SALT II. We abide by the terms the Soviet Union does. Why not push for a ratification of that treaty as a first step, then go on to START? After all, a bird in hand.

The President. Because, Helen, this bird isn't a very friendly bird. I remind you that a Democratic-controlled Senate refused to ratify it. And the reason for refusing to ratify, I think, is something we can't——

Q. [*Inaudible*]—Republican Senate now.

The President. Well, but we can't ignore that, the reason why it was refused ratification. SALT stands for strategic arms limitation. And the limitation in that agreement would allow in the life of the treaty for the Soviet Union to just about double their present nuclear capability. It would allow—and does allow—us to increase ours. In other words, it simply legitimizes an arms race.

Now, the parts that we're observing of that have to do with the monitoring of each other's weaponry, and so both sides are doing that. What we're striving for is to reduce the power, the number, and particularly those destabilizing missiles that can be touched off by the push of a button—to reduce the number of those. And there just is no ratio between that and what SALT was attempting to do. I think SALT was the wrong course to follow.

Arms Reduction Negotiations

Q. Mr. President, you may know that former Secretary of State Henry Kissinger said yesterday that your approach might take far longer than the 7 years it took to require—to negotiate SALT II. What sort of timeframe do you anticipate it would take to negotiate these limits on warheads?

The President. Well, I don't know that you could project a timeframe on that, when you look back at the history all the way back to the end of World War II with the Soviet Union on the negotiations. But I do think there is one thing present now that was not present before, and that is the determination of the United States to rebuild its national defenses. And the very fact that we have shown the will and are going forward on the rebuilding program is something that I think offers an inducement to the Soviet Union to come to that table and legitimately negotiate with us.

In the past several years, those negotiations took place with them having a superiority over us and us actually unilaterally disarming. Every time someone wanted a little money for another program, they took it away from defense. And that isn't true anymore.

Yes?

First Use of Nuclear Weapons

Q. Mr. President, there have been calls in recent days for the United States to renounce the existing NATO treaty under which—policy under which we would retaliate against the Soviets with nuclear weapons if they attack Western Europe with conventional arms. Under what conditions could we pledge that we will never be the first to introduce nuclear weapons in any conflict in Western Europe?

The President. I just don't think this proposal that has been made about to renounce the first use of weapons—certainly, there's none of us that want to see them—but I don't think that any useful purpose is served in making such a declaration. And our strategic nuclear weapons unfortunately are the only balance or deterrent that we have to the massive buildup of conventional arms that the Soviet Union has on the western front—on the NATO front. Now, this is why in Vienna we're trying to negotiate with them on a reduction of conventional arms also, because they have an overpowering force there.

U.K.-Argentine Conflict

Q. Mr. President, what can you tell us about the progress or lack of progress concerning the negotiated settlement on the Falkland Islands? Could you explain a little bit what role the United States is playing and if you could elaborate a little bit about what our situation is now with respect to other allies in Latin America and in South America, since we have so firmly come down on the side of the British?

The President. Well, I think there's a tendency on the part of many of the countries of South America to feel that their sympathies are more with Argentina than ours. I don't think there's been irreparable damage done.

The negotiations continue to go on. They've moved to the United Nations now, and the Secretary-General there is very much involved in them. This morning, yesterday, in my talks with President Figueiredo of Brazil, he too is interested and has volunteered his good offices to try and help. And we—all those of us who want to be brokers for a peaceful settlement can do is stand by and try to be helpful in that.

There are reports that some of the issues between the two have been agreed upon. There are still some—basically, it is down to a situation of withdrawal, of what will be the interim administration on the island itself, and what will be the period of negotiations, then, of what the ultimate settlement is supposed to be.

Up until now the intransigence had been on one side, and that is in wanting a guarantee of sovereignty before the negotiations took place, which doesn't make much sense. I understand that there's been some agreement now on, awaiting negotiations on that. So, we'll continue to hope and pray.

Federal Budget

Q. Mr. President, on the subject of the economy, the American people have heard two consecutive administrations promise to balance the Federal budget and then have to postpone that achievement. And your administration has had to postpone its predictions of when the economic recovery would occur. Even when next year's Federal budget is arrived at, how will the lenders, who are controlling the interest rates, and the American people be able to believe that any projected set of figures really will come to pass?

The President. I believe that if 2 years in a row we show that the course we embarked on last year is going to be followed until we have reduced the percentage of government spending, or government spending as a percentage of the gross national product, and that we're continuing along that line, plus a tax program which I think is designed to help the economy get back on its feet, I think we'll see the interest rates come down. I believe they'll come down if this budget that has been outlined right now in the Senate is passed.

And it's the—you see, in the past—and this is what has them pessimistic—your're right, that the interest rates are up simply because the money market has so little confidence that government will stay the course. In the past seven or eight recessions since World War II, the normal pattern was to suddenly flood the money market with printed money, paper money, to artificially stimulate the economy. The main target always, then, was the reduction of the unemployed. That was believed to be the political problem that first had to be solved. The only trouble was, within 2 to 3 years after each one of those quick fixes, we went into another recession. And each time, if you look at a chart of those recessions, you'll see that each one was worse than the preceding one.

And once they are convinced that we mean it—and I think that what we're doing right now 2 years in a row, I think could have that effect on them, because we have no intention of sending inflation skyrocketing again.

The Middle East

Q. Mr. President, do you intend to reactivate the Memorandum of Understanding with Israel, and do you believe Egypt should agree to hold a meeting of the autonomy talks in Jerusalem?

The President. Well now, I'm not going to comment on that last part of the question there, because we want to stand by and be of help there, and this is one to be worked out between them. But I do have faith that both President Mubarak and Prime Minister Begin intend to pursue the talks in the framework of Camp David, the autonomy talks, and we stand by ready to help them.

In the thing that you mentioned that has temporarily been suspended, we regretted having to do that, and we look forward to when that will be implemented again.

Q. What is the United States doing to keep the peace along the Lebanese border?

The President. With some minor flurries, our cease-fire has held for 9 months now. The word we get from both sides is that they want it to continue. And I could probably answer your question better when I get an assessment—I'll be seeing Ambassador Habib[1] this, I think, Saturday it is.

Sam [Sam Donaldson, ABC News]? I'd better come to this side of the room for a bit.

Social Security

Q. Mr. President, the Republican leaders in the House say they will not support that portion of the Senate Budget Committee's proposal—and you've endorsed that proposal—it calls for a $40 billion 3-year savings in social security. So, I have two questions for you.

Will you insist on that portion of the Senate plan, or will you agree to another plan that does not contain any savings from social security? And, second, what do you think of Representative Michel's idea that social security and other trust funds be separated from the unified budget?

The President. I think it's something to be looked at. Here's a fund that is not funded out of general funds; it's funded by its own tax. And it's something—I can't give you commitment one way or the other. I can tell you that I think that it's an interesting idea and to be looked at.

I think what we have to understand is, in all of the demagoguery and all of the outright falsehoods that have been uttered about this, that the Senate put the number into the budget only because they believed that it was honest to call attention to the fact that that is the figure by which and the amount of which social security is insolvent—that this must be corrected before the end of next year, or there isn't enough money in the trust fund to carry through.

Now, we announced that last year. And it was denied by the Democratic leadership in the House, that there was no such insolvency problem. There has been an actuarial imbalance in social security. The first time I publicly called attention to it was in 1964. And it was then $300 billion out of balance, and nothing has been done down through the years except such things as in 1977—the gigantic social security tax increase that was passed, that we were told would make the program solvent to the year 2015. And it already can't get through 1983.

Now, on the House side immediately when some of their colleagues in the House jumped on this Senate figure and, instead of admitting what it was, said that we were proposing to cut the beneficiaries of social security by all those billions of dollars—and a betrayal of our trust. Well, I have made a pledge that the benefits due to the people now dependent on social security, they're going to continue to get. And on July 1st, they're going to get their 7.4-percent cost-of-living increase.

I think that the leadership—Republican leadership in the House who said take it out simply were trying—because it was becoming again a political football which was obscuring the main problem which is pass the budget—and they thought, okay, set it aside, because the commission does not report till December 31st on a plan for making the program solvent—and to get back to the business of the budget.

Now, this is to be worked out in the legislative manner between the Members in the House and the Members in the Senate, and I'm sure they'll come to some kind of an agreement on it.

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[1] *Ambassador Philip C. Habib, the President's emissary in consultations in the Middle East.*

Q. You'd agree to set it aside then? I mean——

The President. What?

Q. You'd agree to set it aside if the Republican leaders in the House want to?

The President. I'm saying that I will let the Members of the Senate and the Members of the House work that out. That's their job.

Economic Recovery

Q. Mr. President, as you know, there is widespread concern in the business community that the recovery from the recession which you expect will occur in the fall will be a short one and a shallow one—not enough to create too many jobs and stimulate investment. I wonder, sir, whether you share those concerns and whether you have some long-term views or projects in mind to stimulate the economy to ensure that this recovery is a lasting one?

The President. I think this recovery will be a lasting one if we follow and stay on the course, on the plan that we started with last year.

The thinking that simply beginning recovery means instant recovery and back to normal, I think, is asking too much. Remember that some of the things upon which that recovery is based, for example, the tax program, the real first installment that will have some effect begins on July 1st. But just the fact that it begins does not mean that then there is this total effect that it's going to have. It is based on the idea that more money in the hands of the people for saving, for investing, for purchasing is going to have an effect on the economy. But you have to wait until they begin to have some of that money in their pockets and then the following installment that comes along as well.

Yes, Lesley [Lesley Stahl, CBS News].

Corporate Bankruptcies

Q. Mr. President, I'd like to ask you two questions. First off, could you comment on the Braniff situation, a large American company going bankrupt. And secondly, Dun & Bradstreet says that 530 American companies were forced into bankruptcy in the first week of this month alone. Will you take any action to help all these companies that are going under, or will you just do nothing and wait for the interest rates to go up that will eventually help them?

The President. Well, Lesley, I don't see where government can put itself in the business of in some way bailing out, at the taxpayers' expense, companies that go bankrupt. And maybe part of the increase in the bankruptcies is due to the fact that there've been some changes in the bankruptcy laws.

Now, there's a little difference in a bankruptcy and, as Braniff itself has stated, and let's say the usual thing—or the thing that we think of, of someone just going broke and being left flat and destitute. They have a great many assets that will be sold. There will be a reorganization, and Braniff expects to go back in business, back more in the pattern that it had followed before it went into the overwhelming expansion. And bankruptcy means that those assets then are used to pay the debt to the creditors and so forth.

So, I don't see a place for government. I think government's main thing that it can do is everything possible to create a better business climate and to bring the interest rates down, because companies now that—some that are declaring bankruptcy in normal interest rates, a time of normal interest rates, they would be able to borrow the money to tide them over.

Q. When do you think the interest rates will come down and start helping?

The President. Well, as I say, I think we're going to see a change once they see us pass the right kind of budget.

Yes.

Foreign Policy

Q. Mr. President, for many years, your critics attacked you as being too bellicose and too hawkish on foreign affairs. Now you're getting criticism from some of your old friends that you're turning moderate and pragmatic. Human Events, a publication you've admired, wants you to fire your Secretary of State. Conservative Digest says Mr. Bush is taking over your administration.

Mr. Podhoretz wants you to stiffen your foreign policy.

Now, how do you respond to this kind of commentary from your old friends?

The President. Oh, about the same way I respond to the commentary from those who haven't been friends. [*Laughter*]

Q. More specifically, sir, how do you respond to the commentary that you're changing, that you're moving, in effect, to the left?

The President. Well, I'll answer your question legitimately. I haven't changed.

I know that in the first press conference, I was asked a question, and you have, many of you, referred to it constantly as my attack on the Soviet Union. And I've tried over and over again to call your attention to the fact that I was quoting representatives of the Soviet Union in the fact that the Soviet Union openly states that the only morality it recognizes is anything that will further world socialism. And the only thing that is immoral in their eyes is anything that is counter to that—that counters this. And so, this was made my own statement as if I were castigating them for lack of character. It's just that they don't think like we do.

But if you'll go back to the campaign, time after time in the campaign I said that my goal was going to be to try for an outright reduction, particularly of nuclear weapons. And I think I'm being consistent. It's taking me a little while to get there, but we have some other things to do. But that's what we're trying to do.

I have not changed my mind. I believe that it would be naive for us to go into any of these negotiations without complete protection with regard to verification, because I believe that there are two moral standards at issue there.

Yes, Gary [Gary F. Schuster, Detroit News].

Rates of Taxation

Q. Mr. President, do you have any position on the flat-rate tax proposal that's now kicking around up on the Hill that many of your economic advisers—Milton Friedman and others—are saying that they support? Do you have a position on that?

The President. No, I haven't taken a position. I have seen—and over the years, I've seen this proposal of a flat tax, no deductions, simply a gross tax—like you have to pay your agent. [*Laughter*] But the thing is, I think it's not as simple as it sounds, because I think there are differences in—well, what—would it have an effect on all those institutions—educational, artistic, humanitarian—that exist on contributions? What would it do to some people? I recall one—I won't name him, he is now deceased—but in the last years of his life was giving his total income to a very charitable medical cause—total. And I'm just—I just wonder if it's—if we've—maybe there's a happy medium. Maybe there's a way where you can leave some things. What about a family that has the same income as another family but has a long-time catastrophic illness to care for in the family?

Nuclear Arms Reduction

Q. Mr. President, in your arms proposal, you focus on a central intercontinental missile system to the two sides. If the Soviets were to come back and say they wanted to talk about bombers, about cruise missiles, about other weapon systems, would you be willing to include those, or are those excluded?

The President. No, nothing is excluded. But one of the reasons for going at the ballistic missile—that is the one that is the most destabilizing. That one's the one that is the most frightening to most people. And let me just give you a little reasoning on that—of my own on that score.

That is the missile sitting there in its silo in which there could be the possibility of miscalculation. That is the one that people know that once that button is pushed, there is no defense; there is no recall. And it's a matter of minutes, and the missiles reach the other country.

Those that are carried in bombers, those that are carried in ships of one kind or another, or submersibles, you are dealing there with a conventional type of weapon or instrument, and those instruments can be intercepted. They can be recalled if there has been a miscalculation. And so they don't have the same, I think, psychological effect that the presence of those other ones that, once launched, that's it; they're on their way, and there's no preventing, no stopping them.

Q. Mr. President, there are many arms specialists, however, who say that the multiplication of cruise missiles in particular—those can be put on land, can be put on sea ships, submarines and so forth—also have that same effect; you can't call them back once they're launched. They have very short flight time, and there will be thousands of them.

The President. Well, they have a much longer flight time, actually, a matter of hours. They're not the speed of the ballistic missiles that go up into space and come back down again.

But this doesn't mean that we ignore anything. As I said, we're negotiating now on conventional weapons. But I think you start with first things first. You can't bite it all off in one bite. And so our decision was to start with the most destabilizing and the most destructive.

Now, let me, if I could——

Relations With Black Americans

Q. Mr. President, during the past 10 days, black Americans have received a lot of your time—specifically, your visit to Maryland to the home of the Butler family; your call to the woman with Hodgkins disease at the request of her husband; and then, of course, your visit to Providence-St. Mel High School in Chicago this past Monday. My question: Why all this sudden attention focused on black Americans, and what's the purpose?

The President. It isn't all of a sudden at all. I've been doing things like that all my life. You just haven't paid attention.

And as to calling on the Butler family, I read that story in the paper. I was incensed that anything like that can still go on. Oh, I know it does, that there are still people around that are motivated by hatred and bigotry. And I went into the office, and I said, "I'd like to go see those people. I'd like to tell them that their government doesn't feel that way."

But lest you—and I sense in your question that there may be a little cynicism and that you think that there's some theatrics in this—you might as well know that I didn't want any of you around. I told our people that I wanted to do it, I just wanted to go over there and meet with them, and I didn't want any attention. And it was my people who said that if I did such a thing, you'd never trust me again. And you'd start spying on me, and you'd never let me get out of sight. [*Laughter*] And they won the order of the day.

School Tax Exemptions

Q. Mr. President, why did you tell the students in Chicago that when you made the decision about tax exemptions for segregated schools, you were unaware of court cases, since you had signed off on a memo which cited such cases? And secondly, can you explain why you said you did not know there still are segregated schools?

The President. Well, as I said, maybe I should have—I just thought that that question had been resolved for quite some time, that desegregation was a fact of life.

And the letter that you say I signed off on, that was the first knowledge that I had of the court case in the letter that came to me from Congressman Trent Lott—and they come to me in great numbers. But I came into office bringing with me the question that I had about Internal Revenue agents harassing already desegregated schools just on their own as if they were somehow not doing right. And so, I had spoken to the Secretary of the Treasury long before that notation went on the letter.

Q. But, sir, just a followup. What you said to the students was that when you made the decision you did not know there were court cases and that was after you had read the memo from Congressman Lott.

The President. No, the decision that I'm talking about is, I said to the Secretary of the Treasury that he ought to look into the activities of Treasury agents who were going into desegregated schools and who were then, on their own, just in their own belief and what they thought ought to be done, harassing the schools and saying they ought to be doing better, they ought to be instituting scholarship programs and so forth. Well, many independent schools like the one I just addressed last weekend live in genteel poverty. There's a limit to how much they can do of that kind, and yet, they're totally desegregated and have no bias whatsoever.

And I had told him that, and, having told him that, that was—I went on about my business. And then sometime later this order was issued, and that was the first time then. And the minute that I heard about how it was interpreted, that this was going to change the whole situation with regard to segregated schools and tax exemption, I said, "Well, then the answer lies it should be by law, not by bureaucratic regulation." And I said, "Let's send some legislation up taking care of the situation."

But now I'm glad you asked me, because now, just like the children, I've told you the truth.

Yes?

Social Security

Q. I understand that you have said that you'll guarantee for social security recipients that they will not only have their current benefits cut, but they'll get the July increase. But let me ask this as narrowly as I can. Will you support in the future any kind of freeze on the cost-of-living increases in social security benefits. And what about those down the road, those in their forties and fifties who've paid into the system? Will you guarantee them social security benefits that will keep pace with the cost of living?

The President. The whole matter is in the hands of the commission that I finally appointed when I discovered that the talk about social security led to it becoming a political football and a terrorizing experience for the people dependent on the program. I don't know what the commission is going to come up with, but the program has expanded to where it has a number of different facets that were never a part at the beginning and that are not associated with the benefit payments to senior citizens who have no other source of income.

Now, there are reorganization things that can be done. The one that we proposed last year, believe it or not, would have made the program solvent, and that was one which simply changed for a brief period—or added a brief period of time to early retirement. Now, that's a new facet that was passed after the program was well underway—I don't remember the exact year it was passed—but suddenly saying that, well, people at 62 could retire on 80 percent of their full payment. We had proposed last year that in an effort to make the program solvent, that we extend that, that they could retire at 62, but they would not get 80 percent until a period later before they became 65. And that would have been enough of a change to make the program solvent.

There are other things. There is the program of social security disability and Social Security itself has admitted, and in 1980, under the previous administration, a law was passed to try and clean up what was believed to be a gigantic abuse of that program. So, there are things that can be done.

One of the problems with the two tax increases still scheduled in social security that were passed again under the previous administration, the possibility exists that young people today may find that their social security tax is so high that they could never expect to get from social security what they pay in. And they would be far better off if they had that money in their own hands to buy a retirement policy of some kind. So, there are all these things open.

All I know is that I told the people that I appointed to the commission that one thing had to be certain: That whatever plan was selected, those people now dependent on social security must not be deprived of their benefits or have their benefits cut back.

Now, with regard to your question about cost of living, here you're talking about—I think there are times in which, in the temporary situation such as we are now, that you could temporarily put a ceiling on a cost of living adjustment. And remember you're not cutting them back there; you are simply reducing the amount of their increase if you did that. But we have no plans for that, because I'm kind of of the mind that once they get this 7.4, by the time next year rolls around, there maybe won't be any cost of living increase 'cause there won't be any increase in the cost of living.

Ms. Thomas. Thank you, Mr. President.

The President. Oh, Helen, have you

looked around at all those hands that I've missed so far?

Note: The President's 10th news conference began at 8 p.m. in the East Room at the White House. It was broadcast live on nationwide radio and television.

Remarks and a Question-and-Answer Session With Farmers From the Landenberg, Pennsylvania, Area

May 14, 1982

The President. Well, ladies and gentlemen, this is once where I could really open by asking, "Who's tending the farm?" [*Laughter*]

You know, I'm delighted to be here, and I'm not going to take too much time on a monolog. You recognize, of course, I'm sure, in addition to our fine host here, Jack Block, the Secretary of Agriculture. I brought him along for the tough questions. [*Laughter*] But, you know, I have said many times in public addresses that in all of this recession time—but in all of these past years of growing inflation, there's no part of our economy that's been caught harder in the cost-price squeeze than agriculture. And I even have a personal example of that.

I've got a ranch of my own, and now the tax people call it a hobby ranch, because since I'm doing what I'm doing, living in public housing in Washington—[*laughter*]—I can't do much farming.

Mr. Wilkinson.[1] He wants to put on some cows, but I don't know whether that's a good idea or not. [*Laughter*]

The President. But I do—I've got a tractor out there that I bought secondhand. It's a 1953 tractor, and I bought it not too much later than 1953 for $1,200. And one night at a dinner Nancy happened to be sitting beside a fellow who was the head of a tractor company, and she was telling him how I kind of moaned a little bit now about keeping this thing running and the fact that it—I wish it had a skiploader on the front, which it doesn't. We got a lot of rocks on our farm. And he said, "Why, he ought to have"—he says, "I'll send a man up that'll make him a real good offer, and he can have the kind of tractor he wants." And that's when I learned about, firsthand, the cost-price squeeze.

The fellow did make a very good offer. He offered me—and this is just, I'm talking about a year or so ago—he offered me $4,000 for that $1,200 secondhand tractor that goes back to 1953. And then all I'd had to do was give him $13,000 more, and I could have a—[*laughter*]——

But listen, seriously, I just would like to take a minute to talk about something in Washington and—to you as Americans—because it fits any one of us in whatever line of activity in this country. There are any number of industries and kinds of work that have been affected by the problem that confronts us today.

When our administration began, interest rates were 21½ percent. Inflation was 12.4. Unemployment had been increasing; it had been going on, increasing since 1979. Today we know that continues to increase, and that is the one part of a recession that is the last and the slowest in turning up.

But interest rates, we brought down some, but not enough. They're down about 20 percent—down to 16, 16½. And inflation, however, has come down from that 12.4 to where, as you know, last month for the first time in 17 years it broke zero and was actually—prices were going down instead of just increasing at a lower rate. But the actual rate for the last 6 months has been 3.2 percent inflation.

Now, if you look at the gap between inflation and where the interest rates are, you come down to the problem that I think is your biggest problem and is the biggest problem for the recovery of the economy.

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[1] *Farmowner Leon Wilkinson, the President's host.*

I have been meeting in these last few days with leaders from every type of business and industry and of the financial world and the bankers and so forth on this interest question, and one answer keeps coming from every one of them. It is pessimism based on past experience that over the years we've had seven to eight recessions since World War II. And every time the government has gone for the quick fix, artificial stimulant of the money supply, artificial government spending, supposedly, programs that'll stimulate the economy. And the result has been that up goes inflation. It does have a temporary effect on helping unemployment, but it's like trying to treat a fever by eating the thermometer. And the result is about 2 years later we're into another recession. And if you look at the chart back over the years, every recession is getting bigger, worse. And this one is the worst one of all.

Every one of these people that I have met with said the same thing that I feel myself. They're pessimistic, those who lend money. They fear that even with that low recession rate that the government will follow the old pattern, and up will go inflation again. Well, it's not going to follow the old pattern. We're battling to prevent that and to see that it doesn't happen.

But all of them said, if the Congress will vote this budget that you want with, again, the continued cut in spending, interest rates will come down. Well, we're going to hold firm on that.

We're supporting the bill that has come out of the Senate, has some tax increase there, but it's not going to interfere with the tax relief program that we put into effect last year. That's going to continue.

But the main thing is when we took office, the cost of government was increasing 17 percent a year. We have that down now to less than 7 percent a year, in view of next year's budget. And we believe that the answer, the main answer to your problems, to the automobile industries, to steel, to the construction industry, is the reduction of the interest rates.

When you stop to think that the deficit has built up over the years, that a hundred billion dollars or more of our annual budget—that's enough to wipe out the deficits completely—is just interest on the national debt. Our goal is to bring government down to the balanced budget.

It can't be done overnight. They didn't get this way overnight. And when we do that, then to work out a plan, no matter how small it is, but to begin making some installments on that national debt so our kids'll know that we don't intend to leave that as their inheritance of America.

Now, we'll get back to your business and to the questions. I told Jack Block here—I warned him a little bit about the job he's got. I told him about Ezra Taft Benson some years ago—went out and there were some problems then. And in one particular gathering, there was a fellow that was really giving him a bad time. And Ezra kind of turned to one of his aides and looked at some figures and things and turned back, and he said, "Well, you didn't have it so bad." He said, "Now, listen, last year you've had 29 inches of rain." And the fellow said, "Yes, I remember the night it happened." [*Laughter*] So, let's have that dialog.

Hey, I see a lot of friends over here from your State, but I'm sure you've already met them before we arrived here.

Yes?

Interest Rates

Q. Mr. President, I have a question. I'm Bill Moore, a local dairy farmer. As you know, farmers need a lot of credit—borrow billions of dollars collectively over this country. We're concerned with the national projected deficit, how we're going to be able to continue to get this supply of money that we need and at reasonable interest rates.

The President. And a good question. It's something I should have touched on when I was talking about the budget.

The budget that has come through the Senate Budget Committee, and the one that we have approved, will reduce the projected deficits over the next 3 years by $416,000—thousand!—*billion.* I was still talking like a civilian there for a minute—[*laughter*]—$416 billion.

The projected deficits, if we do nothing—and let me be honest with you and tell you that I am one who—some—I question the ability of even the best of economists to project more than a few months ahead. But even so, there is enough agreement that it would look like a deficit of $182 billion for next year. That goes up to 216 billion in '84, 233 billion in '85. The program that we're talking about would bring those down to 100—about 106—69 and 39, which shows you that we're coming down. And you only have to go, at that point, a couple of years further, and you see that we reach the balanced budget.

But, as I say, even these bankers and these men from the finance firms and the investment firms and all, all said that interest rates will start coming down again when that budget is passed, and they know that the Congress is not going to obstruct our efforts to deal with those deficits.

Jack?

Secretary Block. May I just add on this particular issue of credit for agriculture, a lot of people talk, "Well, what are you doing for agriculture? Agriculture isn't getting any help." But I'll tell you the truth, the facts are that there is some $5 billion more money going into agriculture this year from commodity credit loans, which are part of our program. And the farmers are taking advantage of that to tide the farmers through these tough times, $5 billion more in commodity credit loans. We have some increases in the farmers home operating loans.

And just a little additional note: That money that is so badly needed and provides so much help in commodity credit loans is available only to the participants in the Farm Acreage Reduction program. And next year, those that do not participate, that have been used to farm commodity credit loans, they're not going to qualify if they choose not to participate, because those are the rules of the game.

So, there's ample credit; the credit's there. As the President points out, it's just too expensive for us in agriculture. We can't make ends meet at these prices. But we're looking for it to come down.

Q. What will the interest rates be on that——

Secretary Block. Commodity credit loans? They're about 14 percent now. They change every month. So, that means—you know, if you can get a loan on your corn—and we hope they're coming down. And it looks like they are.

Dairy Product Surplus

Q. Mr. President, I have a question here. I'm Art Hershey, Chester County dairy farmer. What can the government leaders and the dairy farmers do to work together to solve this surplus problem? I'm here at the front door, sir.

The President. Well, we're trying very hard with that. And, as a matter of fact, we recognize that that problem was created by government, not by the farmers. It is costing us about $2 billion a year. But what we're seeking is legislation that will allow the Secretary of Agriculture at his discretion to set the support level and to work with you, the dairy farmers, on this particular problem in getting rid of the present surplus.

Now, is there more that you'd like to add there? Also, we are looking at the situation of foreign exports to the United States—our imports of casein that is subsidized by other governments, which, again, is something that is unfair and that we want to do something about.

Q. Amen to that, Mr. President.

Secretary Block. No, we really think that the program we're offering is a program that is sound. Once again, there are some quick fixes floating around for the dairy problem, and you've seen them and read about them. But I'll tell you something. They are not in the long-range, best interests of the dairy industry. They are Mickey Mouse plans of two-price systems, higher price for domestic than we have for exports. And they are ridiculous. And they're going to destroy the whole dairy program if the industry doesn't see the light and adopt a plan that is sound, reasonable, and gives a future for the dairy industry and for the young people that were talked about here this morning that want to come into the dairy industry.

So, I urge you to look at this. And I sincerely pledge to you that I will work with the dairy industry, that we will appoint a board that will give us advice—principally made up of producers—to help us in attacking and solving this problem.

The President. You know, we never look back. Maybe someone in the choir has a question. [*Laughter*] Yes?

Agricultural Exports

Q. Mr. President, I'm in the cattle business. I'd like to know what is being done to help cut down the barriers for foreign trade, especially in Japan. Now, they've sent all their products over in the area, and we do not put any restrictions on their products, and yet they put the restrictions on our products. And I feel that your administration, which I know is doing a lot, but I feel there should be a lot more done.

The President. This gentleman is talking about cattle farming and the restrictions that are put on our exported cattle, for example, to Japan, and yet the unlimited way in which they can come in here. He says he knows we're doing something but not sure that it's enough.

Well, maybe one of the reasons is because we believe in what I've called quiet diplomacy. Instead of putting some fellow on the other side on the spot, and holding him up to public view, we have been working very hard—and both here, in their visits to us, and there with the Prime Minister and with others in his Cabinet, to change some of these and to tell them that the only alternative is start to go down the road of protectionism, which we don't want to do.

But I think if you've got anything to add, Jack, about that, because we have, I think, been making some progress.

Secretary Block. Let me point out that in the last 10 days, last week, Under Secretary Seeley Lodwick for International Affairs and Commodity Programs was in Geneva with Ambassador MacDonald of our U.S. trade office, met with the Japanese, met with officials in Geneva, and we're hammering away. We gave them a shopping list of what we're looking towards to open up that market. And it's only reasonable to think that it should be opened.

This idea that it's an advantage to have high beef prices in Japan, for melons to cost $30 apiece, for apples to cost to $4 dollars and beef $30—it doesn't make any sense. The Japanese people can profit, and certainly it helps our producers. And we need to work towards freer trade. That's the President's policy. Open up these trade channels.

All the countries of the world can profit if the countries do what they do best. And you know something? We're best at farming in this United States of America, right? [*Applause*]

The President. Jack, things are getting better. When we were there in 1971, the melons were $40. [*Laughter*] We'd better not talk that way, or maybe some of these people will start leaving us and farming in Japan—$4 apples.

Yes?

Mushroom Imports

Q. Do you realize you're in the mushroom capital of the world right here——

The President. Yes.

Q. We are being devastated by imports from Communist China. They are dumping mushrooms in the United States. I don't know whether you're aware of that.

The President. Yes, I am. And I'm also aware that Jack Block is getting into this and having some meetings about this very problem with the import of mushrooms.

Thank you.

Agricultural Exports

Q. Mr. President.

The President. I'm not—oh, go ahead.

Q. Excuse me.

The President. No, go ahead.

Q. The United States farmer can produce their product at a lower price than any other nation, but yet we're not competitive in the world market. Is there a reason why? And I also understand that we have an agreement with some nations that we cannot sell them dried milk and dairy products. Is this true?

Secretary Block. What was the first part of your question? We couldn't hear it?

Q. The United States farmer can produce their product at a lower price than most other nations, but yet we don't seem to be competitive on the world market.

The President. Here again, this is something that we promised in the campaign and that we're trying to do, and that is to—

with government's help—instead of trying to run your farms for you, as they've done some years in the past, is to try and stimulate and open up the export market, because we're one of the few countries in the world that really is not only able to feed more people per farmer than anyone else in the world, but we have a surplus that can be sold and help a hungry world.

Secretary Block. Are you talking about the surplus or talking about selling the other commodities right off the farm?

Q. Selling our—at foreign—exports. I mean, we don't seem to be competitive in the world market. We——

Secretary Block. Let me address that. It is true. It bothers me. I am troubled to realize that the United States of America can produce grain and forage and everything else, virtually everything, competitive with any country in the world, but in dairy, we've got some problems in terms of exports. We're losing domestic markets, and we're losing export markets. And we have, like I said, the best of grains to feed the cows, the finest facilities, the best of management in the dairy industry that you can buy—the finest cows in the world, people all over the world buying our cows, but we cannot compete with other countries. And one of the biggest problems is, in my opinion, is the rigidity of the government program. I think it has put the dairy industry into a hole the way it has been handled and managed in the past few years.

Q. Do we have an agreement with other nations that we cannot export dairy products to them at this time?

Secretary Block. We can export any dairy products we choose to if they are exported at domestic prices.

Now, if we are to talk about exporting the surplus dairy products that the government has bought up, we can export those at world prices or at our domestic prices, which are even higher than world prices. But we cannot undercut the world market by selling them at a discount. We have done that some, but we have to be very careful in doing it, because we are breaking international trading rules when we sell—when we subsidize the exports of our dairy products into the world market.

The President. And they're trying to use a lot of that, as you know, however, where it wouldn't be competitive with the market, but in feeding the hungry, both here and abroad.

Now, I'm going to interrupt for a second so that you won't—and then I'll get to you—so that you won't think that I'm using notes here. And I wouldn't be able to see them that close. [*Laughter*] Funny how your arms get shorter.

No, I thought—and then I did an injustice—I just assumed that our visitors here had probably been on and been introduced here before we arrived. But I think you'd like to know that your good Governor Thornburgh is here. Your Senators, John Heinz and Arlen Specter, are here. And your own Congressman from this district, Dick Schulze, and his wife, Nancy. Say, you're going to have to name that new calf "Nancy-Nancy." [*Laughter*]

Mr. Wilkinson. No, I am going to name her Nancy. We had a new calf this morning. We're going to name it "Number 1 Nancy." [*Laughter*]

The President. And Congressman Bob Walker. Congressman Larry Coughlin. And we also have two members of our—other members of our Cabinet here, the Secretaries of Transportation and Health and Human Services, Drew Lewis and Dick Schweiker.

Now, did I miss anybody?

Mr. Wilkinson. Mr. President, could I invite the people who made this possible today, my family? I'd like to invite my—introduce my family.

The President. Well, for heaven's sake, yes. [*Laughter*]

Mr. Wilkinson. Paul and Tom—they're the ones that made this possible—and my wife, right between them. My other two sons—Louis and Larry. They have farms of their own. And I'm backing Mr. Hershey for our State legislature. [*Laughter*] My two county commissioners—Earl Baker and Bob Thompson.

Q. Bud Burton.

Mr. Wilkinson. Bud Burton—I'm sorry. Stand up—another—get up here.

The President. Now we've got a question back there.

Mushroom Imports

Q. Mr. President—[*inaudible*]—my father's a mushroom grower, and it seems like year after year, it seems mushroom growers are just barely breaking even. Is there something the government's trying to do for that?

Secretary Block. "I'm a mushroom grower, and"——

The President. Ah. Well, again, as I say, we recognize this—this is literally the mushroom capital, but we also recognize that there is a great import problem and——

Secretary Block. I'm going to invite——

The President. Jack is inviting the leadership here in that sector of agriculture for meetings and going to take up this problem of what we can do about this threat from imports.

Q. We want these young fellows to be able to stay in business.

The President. Yes.

Dairy Price Supports

Q. I'm a young dairyman over at Kemp here. And I'm very concerned about the support program and the retention of the support program itself. It's been a very helpful tool over the years, and I don't think it was really out of hand. Even into '79, things were relatively under control. We had an increase in a parity to 80 percent, and it seems like everything has gone wrong. So, the stage has been set for increased production. And they just can't turn the spigot off.

I mean, out here, heifers—we have a lot of heifers—[*inaudible*]—we got plenty of heifers. Come on, we're affected for the next 18 months, at least. I mean, you just can't stop—you just can't turn anything back within that period of time. Now, I don't like to see the bottom, so called, pulled right out from under us, because it happened over a long period of time. So, you're going to have to take plenty of time. I mean, I'm all for you. I wish you were in office back in '76, 'cause I wouldn't be in the hole today if you were. [*Laughter*]

Secretary Block. We are not going to do anything until January 1, to give the dairy industry some time.

Q. I'm totally behind you, but the thing is, I don't want anything to happen too fast here. I would like to see the retention of the support system, and if the support on milk were down to $12, I think we might be able to survive. But we have no—that the bottom pulled completely out from under us, we're going to go under. And I'll tell you, it doesn't take long to go under. We can go under.

Our young ones are committed. We've made commitments. I mean, we've had to deal with the seventies, had to deal with buying a farm in the seventies. I've had to deal with the cost of production in the seventies. And now, all of a sudden, we're—just in the past couple of years, we've ran into what you call a difficult situation. [*Laughter*]

The President. Yes.

Q. Now we need some time to adjust. Now, I hope that you can see this and go ahead and give us something, some type of security, that we know if we're going to be able to survive, because I'm trying to build a future for my sons and all. I mean, I'm not really trying to get rich——

The President. No, right.

Q. ——I'm trying to have a respectable living with some type of guarantee. Now, I don't want these guarantees pulled out from under us, 'cause I feel we have a respectable system. And I am committed to trying to feed the people and trying to get along. So, I hope maybe they can get along with us. [*Laughter*]

The President. Yes, all right. I think—did you all hear that? Let me just say that I think the quarrel with the system the way it is, is that the government is too rigid. But no one—we all recognize the problem. You can't take a system that has been going on—whatever it may be, and the people have geared themselves and their activities to—and then pull the rug out all at once.

First of all, nothing is going to be done before January 1st. But this is why we want the Secretary of Agriculture to have the flexibility, instead of this rigid system that is set by legislation. And that will be taken into account—that you can't, as I say, pull the rug out all at once, and that you're going to have a more realistic and less rigid system that will take care of just what you're talking about.

Secretary Block. Part of the concern was, are we going to lose the whole program? How low is the support going to go? We don't intend to destroy the program. In fact, we tried to keep it basically as it is. And I do not foresee going below $12. I hope we don't have to lower the support at all.

We're going to have time between now and January 1 to see some more adjustment take place. The crowd here today needs to know this dairy situation was talked about in two Cabinet Councils of Food and Agriculture. The President is the Chairman; I'm Chairman pro tem of that Cabinet Council. Most all the other Cabinet officers were in there. Drew Lewis was there, and Dick Schweiker was there—and all the rest. Some of them heard more about dairy than they ever want to hear about. That's true.

But the President said just what this young man said—it's almost verbatim. The President said, "Well, we've been getting into this situation for a long time. We don't want to pull the rug out overnight. We want to give them time for adjustment." I tell you, there's the man that is listening and hearing from you, and he appreciates your concern.

Mr. Wilkinson. The man that's doing a great job here in Pennsylvania, advertisements and all, is our good secretary, Penrose Hallowell, and I'd like to introduce him at this time.

The President. They didn't have your name on the card. Well, we'll be working together.

I know that we're running out—he says one more question. And there's one more question.

Q. Mr. President, my name's Ginger Myers. My husband, John, and I, we're one of those young couples that are struggling over in Adams County. And we do it because we love the farm, and we think we're turning out a quality product. But I get a little discouraged listening today about "tide over, tide over." Like that gentleman back there, my bank notes come regular, regardless of being tide over.

Our concern was, do you think on the dairy price support that by raising the minimum standards on the fluid price on the market, that we can dry up some of this surplus product and at the same time provide a better product for the consumers?

Secretary Block. We talked about that in the Cabinet Council——

The President. Yeah, go ahead.

Secretary Block. We talked about it in the Cabinet Council meeting. It was adopted as part of the package. I talked to Secretary Schweiker about it.

Now, we don't pretend to think that we can order all the States to do this. But we do think that it would be very useful to encourage it. The milk tastes better when it's that way, in my opinion. So, we will be doing this. And part of the package of straightening out the dairy program—and just as important as the part of adjusting supply and demand—is the disposal of the surplus.

I assure you we'll be working in every way we can to do just that.

The President. And dispose it in such a way that it isn't going to be counter to the present production and to what you're doing.

Well, I guess we've run out of time. I'd like to get back to one thing, and it's—you've mentioned it again—on those notes at the bank. There is only one way to get that interest down, and that way is to continue on this program.

We think that—I'm so tired of hearing from some of our opponents. They said that the program that they passed last summer—they said it's failed. It hadn't started yet. [*Laughter*] The first part of it didn't go into effect until October 1st, and that was the smallest part.

But the continued tax cuts—in July, when that money begins to hit the market—but again, it isn't just the fact that July 1st you're now paying a lower tax. There has to be time for that money to begin to come into your pocket for it to then begin to have an effect. But even with that little tiny cut in October, we saw an increase in savings, the rate of savings.

Would it interest you to know that Americans, here in this great lush country of ours, have been saving at a lower percentage than any of the other industrial nations? And this means there isn't that capital pool that is needed for borrowing and investment and modernizing plants and equipment and so forth, research and development.

Other things have begun to happen now that—I'm not going to tell you that now we've recovered. I am going to say that as they describe a recession of this kind, there is a trough and a bottoming out, and then you begin to rise. And there is every indication that that begin-to-rise is going to come in the latter half of this year. And the signs, the beginning signs are there in some instances.

We know that there has been an increase already in the hog market. We know that grain prices have shown the evidence that they're not continuing to do this now, that they're there at that trough and, maybe at the beginning of it, coming up. Cattle are showing the first sustainable profit since 1979. And even if you—this morning's business news or yesterday morning's business news shows that even the automobile market is improving some, and for the last 3 months there has been a steady increase now in home construction. And all of these point to this fact.

But, again, you don't have to write to your Congressman. They've been here to hear. But if you know any others in any other States, lean on them, too. [*Laughter*] Or have your friends and neighbors lean on them. And that is to get this budget passed and get it passed quickly.

And now one more thing about that. You've heard all the horror stories, that you can't look at the screen without seeing them—of that—supposedly we're cutting the bottom out of all the help to the needy and the handicapped in our country. We have not cut a budget yet. We have only cut the proposed increase that the big spenders in Washington have set their eyes on. Each budget, including the one for next year, is bigger than the budget before—and, of necessity. But it is not as much bigger as it was.

And I'll give you one figure that involves Dick Schweiker's department—Health and Human Services. This is the department that deals with all those programs that help the people who have to have our help as neighbors. In 1980, in the last year of the previous administration, the budget for Health and Human Services was about $195 billion. We have proposed for next year $274 billion in that program. The percentage of the budget in 1980 for HHS was 33 percent. It's going to be more than 36 percent when we get this '83 budget passed. And the budget for defense, which those same big spenders—that's the only thing they ever seem to want to cut—well, that is only 29 percent of the total budget. In the Kennedy years it was 46 percent. So, we think that we've got a well-balanced budget. But we also think that we are meeting the humane needs of those people who have to have help, and the figures reveal it.

As a matter of fact, Dick's budget is bigger than the total national budget of every other country in the world except the Soviet Union and the United States. So, we think that we're keeping the safety net for those people who have needs. And that's why I was so angry at Mr. Moyers' show the other night—was because it wasn't true.

Now—thank you all very much.

They say I can't take any more questions, that time's up. Mr. Thornburgh and I are due at a luncheon in Philadelphia. And if this wasn't a nonpartisan gathering, I'd tell you it's a fundraiser for Dick Thornburgh. [*Laughter*]

Note: The President spoke at 10:47 a.m. in a haybarn on the Wilkinson & Son Farms. Prior to his remarks, he toured the farm with Mr. Wilkinson.

In his remarks, the President referred to Bill Moyers, CBS News correspondent, who hosted a documentary entitled, "CBS Reports, 'People Like Us,'" which aired April 21.

Remarks at a Fundraising Luncheon for Governor Richard L. Thornburgh in Philadelphia, Pennsylvania

May 14, 1982

Reverend clergy, Governor and a very lovely first lady, the chairman, the officials here of the party, and Senator Specter, and even two of my Cabinet members who are from your State, all the other distinguished guests here at the headtable:

I thank you. It's always a great pleasure to see your fine Governor and to return to this beautiful State.

I never miss the chance to visit Philadelphia, America's historic treasure. For one thing, there aren't too many cities that have been around so much longer than I have. [*Laughter*] You know, your own Ben Franklin once said, "Work as if you were to live a hundred years. Pray as if you were to die tomorrow." And ever since he told me that, I've been doing just fine. [*Laughter*]

But this is a happy day. I am here to speak for a man of merit, a leader who certainly has earned my and, I know, your respect and the admiration of people across the political spectrum. He's a man of principle, impeccably honest, cool under pressure. He has a grip on Pennsylvania's problems, a solid program for her future, and the courage and wisdom to make that program work. No one is more qualified to be the next Governor of the great State of Pennsylvania than your current Governor, Dick Thornburgh.

I'll go a step further. A State that can produce a Ben Franklin, Betsy Ross, Andrew Carnegie, Andrew Mellon, Marian Anderson, and Andrew Wyeth, not to mention the Philadelphia Symphony, Penn State football, and Pennsylvania Dutch cooking—[*laughter*]—appreciates real quality. The people of Pennsylvania appreciate Dick Thornburgh, and, Dick, I predict next November they're going to vote to keep you right where you are, doing a great job for your State.

And he has done a great job. He worked with your legislature to pass, I know, one of the toughest anticrime bills in the Nation—and I don't know of anything that is more needed nationwide than that kind of legislation—also a bill to get able-bodied individuals off the State welfare rolls. And he's reduced the State bureaucracy by nearly 5,000. Most impressively, he has balanced your State budget four consecutive times, and he's done it the right way, by holding down spending. And it's already been said—and I have been told before—the first Governor elected since 1946 to go a full term without raising State sales or income taxes.

Now, as you know, there are no strictures against unbalanced budgets in Washington. Spending other people's money has become an art form. The same people who sound so convincing when they denounce benefits [deficits][1] on network television still have their hands in the Nation's cookie jars. The big spenders would have been right at home with Oscar Wilde. He's the one who said that he knew of only one way to get rid of temptation: Yield to it. [*Laughter*]

You know, if the gentlemen will forgive me here, someone once said that a woman flees from temptation and man gets down on his knees and crawls away hoping it'll jump on his back. [*Laughter*] Well, Bastiat, the French economist, many years ago said that public funds seemingly belong to no one and the temptation to bestow them on someone is irresistable. And in that regard, I can say that government has proven that thing about crawling away, and they certainly did let it jump on their back.

Over the years, policies of tax and spend have given us double-digit inflation, a trillion-dollar debt, the highest interest rates in more than a century, and the heaviest peacetime tax burden that we've ever known. But when you insist that we reduce the budget the right way—the Dick Thornburgh way—by reducing spending and holding down taxes, they act as if you've committed some kind of sacrilege. Proposing that in Washington is a little like getting between the hog and the bucket. You get buffeted about a bit. [*Laughter*]

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[1] *White House correction.*

Well, I don't think we were put on this Earth to make government bigger. Our task is to restrain spending, create incentives, provide hope, opportunities, and help our economy grow again. Our loyalty will always be to the little taxpayers and never to the big tax spenders.

Our administration promised a program of tax incentives so industry could retool and families could save again for their future. We've kept that promise with the first decent tax reduction in nearly 20 years, and we won't go back on our word. With your support, with responsible Republicans and Democrats working together, I believe that we can pass a sound budget that sharply reduces projected deficits next year and in the years beyond, while it preserves our tax incentives, protects the needy, and permits us to continue rebuilding our nation's defenses.

But even that won't be enough. We want to handcuff the big spenders once and for all. We need all the pressure we can get, all that you can bring to bear on this Congress to pass a constitutional amendment to mandate on the Federal Government balanced budgets. We must be able to do this just like Dick Thornburgh balances his State budget and all across America families balance their own budgets.

Now, of course, our opponents have a different strategy. You don't have to guess what it is. You hear it night after night on the evening news. Now, they also claim to be against deficits. But there's a catch. Defying all the lessons of history and plain common sense, they propose to reduce deficits by huge tax increases. They want to eliminate the third year of our tax cut and indexing, which they protest is excessive. And you've guessed it. They say that indexing is unfair because it favors the rich at the expense of everybody else. Now, you know that's as ridiculous as most of their other standard demagoguery.

First of all, the definition of rich—most of us accept that that means people that have acquired or accumulated or possess wealth, but in their book it also means anyone who is in a certain level of income, regardless of whether they've accumulated anything or not. And the truth is, indexing, as we know, simply means taking our progressive tax structure and indexing it so that when a working man or woman gets a cost-of-living increase, they are not pushed by that into a higher percentage of tax—into a higher tax bracket. Even though they've only kept pace with the cost of living, they have not improved their earnings. Well, the people that they call rich don't benefit by indexing. They're already in that top bracket. There isn't anything that they can get pushed into. This is for the people who work and earn.

Let's go beyond propaganda and look at a few facts. First, there's nothing more unfair than what inflation and taxation have done to the pocketbooks of middle America. Not many years ago, only 3 percent of those who work and earn were in a 30-percent tax bracket. Today, 20 percent or more of the work force is paying that tax rate. And when social security, State taxes are included in the total tax burden, many families nationwide are facing a 40- to 44-percent tax rate.

I was pleased the other day to find out that already, just with our little 5-percent tax cut, and in spite of the built-in increase in the social security tax, that May 5th, that was the target day—that's when the average American finishes—from January 1st to May 5th—working for the government, and from then on can keep the money he earns. And I was pleased to see that we've moved that up about 3 days. Now you don't have to work quite as long. And as soon as we get the other tax cuts in place, we'll move the date way up a ways at which you start working for yourself.

Without our tax cuts and indexing, more and more families will be pushed into the highest brackets, once reserved for the super rich. Now, where is the fairness in telling all those unsung heroes working to make ends meet that, no matter how hard they try, Uncle Sam will be waiting to get his hands in their pockets for more of their money? That's not the America I grew up to believe in. We're not trying to help the rich. We're trying to preserve one of the few systems left on Earth where people at the bottom of the ladder can still look forward to getting rich.

Here's one point that every American must understand: The third year of the tax cut is needed most by the very people that liberals would claim to protect by eliminating it. Doing away with that final 10-percent cut in 1983 and doing away with indexing means middle-income families would end up losing about 45 percent of their entire personal income tax reduction by 1985. And since our total tax cut barely offsets the huge tax increases already built into the system, eliminating that third year and indexing would translate into another punishing increase in their total tax burden. And that's what those who oppose our budget say would be fair.

Well, we're not going to let it happen. Fairness demands that our tax program be fully protected. The people want it. They need it. And nothing less in our economy will suffice. The interests of the American middle class must not be squeezed and sacrificed in that old swamp of economic illiteracy which has so bogged down our industrial machine. I'm not accusing anyone of ignorance on the other side. It's just there are so many people in Washington who know so many things that aren't true. [*Laughter*]

Now, you've been hearing a lot about how our program is hurting the poor. And every day they try to dredge up things and show us the incidents that prove that this is true. Well, I'm here to tell you that most of those examples we can prove were not the result of anything that we've done with regard to budgeting or our economic program.

You've been hearing that we're hurting the poor and those who must depend on the rest of us through no fault of their own. Well, in 1980—and I don't very often brag about increases in spending, and I'm not bragging about this—I wish that we could make our system so that it wasn't necessary—but we said that we would protect the safety net, that we would see that nothing was done to bring harm to those people who had to have our help. In 1980, the budget of Dick Schweiker—Health and Human Services was $195.1 billion. In 1983 the budget submitted will call for $274.2 billion. The '80 budget for HHS was 33.8 percent of the total budget. In 1983 it'll be 36.2 percent of the budget. The defense budget that so many are complaining about is only 29 percent of the budget. In other words, that increase from 195 roughly to 274 billion represents our keeping our promise to protect the safety net.

Now, yes, there are individual programs in there that have been changed. When you find a program, for example, in which thousands of people who've been dead for an average of 7 years are still collecting benefits from the government, I think it's proper to change that program. [*Laughter*]

I received a letter from a lady in Pennsylvania—Mrs. Eugene Bennett, lives near Butler, Pennsylvania. She said, "Mr. President, I'm a senior citizen who'll be 76 years old, and when I hear someone blaming you for all that's happening, my feathers get ruffled, and I say my piece. This has been years coming on, and you expect the President to get everything in order in a few months? Bah!" [*Laughter*] Well, I thank her, and I happen to believe that Mrs. Bennett is right. You can't undo in 30 weeks what they took 30 years in doing.

Our program didn't solve it all then. But it's beginning to work. Last month, the Consumer Price Index fell three-tenths of 1 percent—not just a decrease in the increase; it fell below zero. And that's the first such drop in 17 years. For half a year now, it's been averaging 3.2 percent. If inflation had kept running at the double-digit rate it was in 1980, a family of four on a fixed income of $15,000 would be over a thousand dollars poorer in purchasing power than they are today. So, simply by bringing down inflation, we've given them a $1,000 raise.

Do you remember the so-called misery index in the 1976 Presidential campaign? My predecessor invented that. He combined the rate of inflation and unemployment, just simply added them together, and then said that President Ford had no right to even ask to be President, again because adding inflation and unemployment at that time brought what he said was the misery index of 12.2. And so the decision was made. And in the last quarter of 1980, it wasn't 12.2; the misery index was 20.8.

I'm happy to tell you that for the first quarter of 1982, the misery index is 9.8. I didn't even have any misery getting it down to that. I kind of enjoyed it. [*Laughter*]

Unemployment is too high. But unemployment is a lagging indicator, as we know. Tragically—and that, I think, is the greatest tragedy of a recession, economic hardship—it is the last to recover and to begin to climb, the employment rate, when the economy recovers. But there are beginning signs that—we've been in the trough, we've been at the bottom—the Labor Department recently reported that 189,000 permanent, full-time jobs were available at State-operated job banks in March—the first monthly increase since last fall.

The skyrocketing interest rates we inherited devastated the housing industry. But now, as we've begun to bring those rates down, housing starts have been increasing steadily over the last 5 months. Retail sales jumped 1.4 percent last month, and automobile production is scheduled to increase in the second quarter of 1982. We're also seeing more predictions that the actual deficit for fiscal year 1982 will be significantly lower than the $119 billion predicted by the Congressional Budget Office.

Now, of course, I don't place much faith in those various deficit forecasts. I have found that, having gotten a degree in economics myself, it truly is a dismal science. And I don't think that when you start predicting out that far ahead they're going to be very solid projections. But you'll remember our opponents said that their last budget was going to be balanced. And it wasn't, by a long way. If it turns out that the Congressional Budget Office couldn't accurately predict the deficit for a fiscal year which only has 4½ months to run, why should they be any more accurate in their forecast of what the deficit will be 4 years from now, not 4 months?

Finally, Americans are beginning to save again. The savings pool is beginning to expand. In the 6 months since that first 5 percent of our tax cut took effect, the rate of personal savings rose to 5.7 percent from 5.1 percent the year before—not great, but going up. And with inflation down, it pays to be a saver again. And it helps our country, because more savings means more capital to finance new investment, jobs, and economic growth. It also indicates lower interest rates ahead.

We've come a long way. We've accomplished a lot in a very short time, and this is no time to turn back. What we need now is the courage to stay on course.

In his poem "Columbus," James Russell Lowell wrote of that momentous voyage across the Atlantic. The crew had been told again and again that they would soon see land on the horizon, and they saw only water. They were tired, hungry, lonely, desperate, and ready to mutiny. But as Lowell wrote, "Endurance is the crowning quality and patience all the passion of great hearts. One day with life and heart is more than time enough to find a world."

Well, with our courage, with the assurance of continued leadership of great Governors like Dick Thornburgh, we can endure, and we can prevail. We can find that world and bequeath peace and prosperity to our children and their children. I know we will.

And I thank you for this very wonderful luncheon, this opportunity to be here with you all. And I just want to tell you, you do what you know in your hearts is right, because Washington would be an even lonelier place if Dick Thornburgh were not in the capital here in your State.

God bless you all.

Note: The President spoke at 2 p.m. in the Grand Ballroom at the Bellevue Stratford Hotel. Prior to his appearance at the luncheon, he attended a reception for Governor Thornburgh at the hotel.

Remarks and a Question-and-Answer Session at a Fundraising Reception for Senator John Heinz in Philadelphia, Pennsylvania

May 14, 1982

The President. Now, reverend clergy and our two—your two Senators here—and because of them I sleep easier at night in Washington, knowing all the things that can happen if there aren't enough Republicans around—[*laughter*]—all the others who are here:

I had some remarks here, but John has just told me that possibly you'd rather have a dialog and maybe some questions and anwers than me standing here and giving a lecture on why we ought to have the budget passed immediately. And, if so, that's what I'll do. I'll be very happy to put this back in my pocket.

Let me just say now, though, that, seriously, the importance of this Senate race this year, I'm sure you must know, the few-vote margin that we have in the one House and for the first time in a quarter of a century that we have at least one House of the Congress Republican. There would be no budget cuts such as we've known them. There would be no tax cuts as we've had. I don't think there would be the necessary rebuilding of our national security if we did not have that majority. And we have that majority in large part because a gentleman here on the platform was in charge of the committee that handled the election 2 years ago, congressional committee, John Heinz. And because of that, we're in that good position. But I'm going to lose a lot of sleep if I ever thought that—I had 8 years in California of being up against both houses of the legislature, on the opposite side, and it almost got to be a habit. I vetoed 993 bills. [*Laughter*] So, I don't want a repeat of that kind of career.

But John did a great job in that for the Senate. And he's—both of your Senators are doing a great job, and I know that we're going to have one back for sure. And I think I'm going to say we're going to have two back for sure, because I think you know how important that is.

Now, you've possibly heard some rumors to the effect that we're discussing a budget in Washington now, and if so, if you would like, fire away, and we'll have a dialog instead of a monolog.

Administration Accomplishments

Q. Since you've been in office, what do you consider your greatest contribution to the United States?

The President. Since I've been in office, what has been my greatest contribution to the United States? Well, it's one that I would have to share the credit with an awful lot of—not only our Republican Representatives and Senators but also some good, responsible Democrats who also joined us. And that is the turning around of the direction that government was taking.

When we took office, the interest rates were 21½ percent, inflation was 12.4 percent, and it was the second year in a row that we'd had back-to-back double-digit inflation. The unemployment, it is true, was not as deep as it is today. But there's no question it had started clear back in '79, and, as a matter of fact, I was campaigning about the tragedy of that unemployment in 1980. And all of these factors seemed to be worsening.

But while the inflation—or the interest rates have not come down to where we want them, they're down about 20 percent. We reversed—oh, incidentally, spending—government spending was increasing at the rate of 17 percent a year. The budget we've presented for next year will only represent about a 6.8-percent increase in spending. And we're aiming at even a lower rate of increase, to where the budget will finally—or the cost of government will be increasing no faster than the general increase that comes with growth in our tax revenues. And then we will be back where we should have been a lot of years ago.

Q. A shorter answer to that young lady's question is the fact that you're the President.

The President. What?

Q. A shorter answer would be that you're the President.

The President. I'm even—I know that everybody didn't hear that, and I'm a little hesitant to even—[*laughter*]—repeat it. I'll let somebody else tell them.

Yes?

Unemployment

Q. Mr. President, in light of Philadelphia's 11-percent unemployment factor, what can be done to bring more defense business into this city?

The President. Well, we do have your Navy shipyard pretty busy right now. I couldn't tell you, with regard to all the defense contracts that can be let and will be let, where they're going to go. I must say that, however, the first priority is going to be where the job can be done the most economically and, at the same time, do it the way it's necessary for our national security. I also can say that if there's ever a place where everything else is equal, then I would—and it was a choice, then I would think that you'd choose those places where it could also help the economy.

But let me say about your unemployment here, the most necessary thing that has to be done, the Senate just recently passed out of the Budget Committee, the Senate Republicans, passed out a budget program for 1983. I have been meeting in the last week or so with business leaders, chief executives, with the leaders of the small business community—which is the one that produces about 80 percent of our new jobs—heads of farm organizations, trade organizations, and with the money world—bankers and financiers and investment trusts and so forth. All of them have one thing to say, and if I don't say it first, they say it back to me—that is, interest rates, which are the big block to faster recovery, will come down if and when the Congress passes this budget and guarantees that for the second year in a row we're continuing on the path of reducing government spending, then the rates will come down.

They tell me that the one thing that's keeping them up is simply having been burned in the seven or eight recessions that have taken place since World War II, where the government turned to a quick fix, flooded the money market, artificially stimulated to make the economy look as if it was getting well—this morning I described that as trying to cure a fever by eating the thermometer—[*laughter*]—and then up came inflation again. And if they had loaned money on the basis of lower inflation, they would be stuck with these long-term loans at a rate that was too low to match the depreciating value of their money.

And we now have inflation—I didn't add this, with what we've done—we have inflation down from that 12.4 percent to where for 6 months it's averaged 3.2 percent. And last month, for the first time in 17 years, it went below zero. The prices actually were going down, not just not increasing as fast in price. That is enough, if they have the confidence that we're going to continue and that we're not going to do that other quick-fix thing.

So, anything you can do to pressure and make sure that the Congress will give us those additional cuts—and may I also say—I'm taking too much time on this answer—all this talk of budget cuts, all this talk of—that we're doing something to the needy and the poor and we're not taking care of the people who must have help from the rest of us. There have been no budget cuts; all we've cut is the projected increase by the big spenders, the amount they want to increase the budget.

The '81 budget, which we inherited, which was already there—and we managed to reduce by about $13 billion, even though we only had a few months left of the year to do it in—that budget was bigger than the 1980, the present '82 budget is bigger than '81, and the '83 budget we've submitted will represent about a 6.8-percent increase over the present budget. But where it comes to the poor, the poor and the needy and all the people that, as I say, must have help—and I've said that we'd preserve a safety net.

In 1980, in the last Carter budget, $195 billion was Dick Schweiker—was the Health and Human Services budget. Now Dick Schweiker, who's Secretary of that and doing a great job with that—Dick's budget for '83 will be—remember 195 and a fraction in 1980—his budget for '83 will be 274 billion and a fraction. And that is a bigger percentage of the entire budget than the Carter budget for humanitarian affairs was. And it happens to be the third largest budget in the world. The only two budgets greater is the entire budget for the United States and the entire budget for the Soviet Union.

So, we are keeping the safety net, and yet, at the same time, we're making the savings that can bring back the economy.

Small Business

Q. Mr. President, you were elected President by the majority of people that cared enough to go out and vote. You said that you wanted to get government off the backs of the people and that you were a strong believer in free enterprise in the private sector. I also feel this way. So, my question to you is, what are you doing or what would you like to do in regards to breaking up some of the monopolistic structures in this country, whether they be private or governmental, so that the small guy could have an opportunity to break into the free enterprise system?

The President. Well, this is what we are doing with regard to monopolies and to give the smaller man a chance to get started. Actually, I think that our very tax program, for one thing, is of great benefit to independent business. The overwhelming majority of them pay the personal tax, not the corporate tax.

There is no relaxing of—in the field of antitrust or antimonopoly—on the part of our government at this time nor will there be. And so, all I could tell you is that that is still part of it.

At the same time, however, for all business, big and little, but particularly the small businessmen, George Bush is heading up a task force aimed at something else we promised. And that is the blizzard of paperwork that is imposed on the private sector today and on local and State government today by excessive Federal regulations and unnecessary regulations. And he has made a tremendous cut. There are 23,000 fewer pages in the *Federal Register,* which lists the Federal regulations. The actual savings amounts to about—I won't put it in cash—amounts to a savings of about 200 million man-hours of work filling out government paper to comply with government regulations.

So, I think that the path is as open as it has ever been or better for the entrepreneur, small business. And we have, in addition to just the simple tax rates, income tax rates, we have done some other things in which we have increased, and it will be phased in even higher—eventually the elimination of the inheritance tax, which will be a great salvation for family-owned businesses that in the past have had to sell the business in case of death in order to pay the inheritance taxes. That is one thing that we have done. The regulatory thing—and there are other things in the tax brackets the same way of benefit to small business.

Now, I hear a lady's voice, and there hasn't—yes?

Defense Spending

Q. Mr. President, in light of the budget difficulties you were expressing, would you ever consider reducing the defense budget?

The President. Reducing the defense budget. The defense budget, incidentally, today is only 29 percent of our budget. Back in the days of President Kennedy, the defense budget was running about 46 percent of the national budget. But there've been a—several—we're trying to make up for a number of years of starvation.

When I became President, at any given day half of our airplanes couldn't get off the ground for lack of spare parts. Many of our ships couldn't leave harbor—Navy vessels—for the same reason. We only had a very limited supply of ammunition. And in one of those computerized war games where you see what would happen if, for example, there was an attack on the NATO line in Europe and so forth, we lost in 3 weeks.

Now, the bulk of our budget is for maintenance and pay. We also had a volunteer military that was based on wartime draft wages. And we were losing noncommissioned officers faster than we could promote them simply because they couldn't afford—they were actually eligible for welfare at the time that they were serving in the noncommissioned ranks in our military. So, the bulk of our budget's going for that. But I do anticipate a time when it won't be as great.

We have asked the Soviet Union, as you know, to sit down with us with regard to not only the reduction—reduction, not limitation—reduction of nuclear arms, but in Vienna we're meeting, hoping to get reductions in conventional arms. And in Geneva right now we're meeting with regard to the strategic missiles that they have aimed at Europe from Eastern Europe, and we have nothing to counter that there—or our allies don't—and we're going to provide Pershing missiles. And when we announced that, the Soviets said they would sit down and talk disarmament with us—or arms limitation.

What I think is that we have strengthened our case for getting arms reductions by going forward with a military buildup. For the last 10 years they've sat opposite us at any table discussing this—and they're building the greatest military buildup in history—but they saw us unilaterally disarming. There wasn't any reason for them to give up and meet us in any kind of disarmament.

But I can explain it all with a cartoon that I love very much that appeared recently. It was Brezhnev speaking to a Russian general, and he said, "I liked the arms race better when we were the only ones in it." [*Laughter*]

That gentleman behind you there.

Views on the Presidency

Q. Do you enjoy being President more than being a movie actor? [*Laughter*]

The President. Yeah, because here I get to write the script, too. [*Laughter*]

Senator Heinz. Mr. President, they want this to be your last—the last——

The President. Oh. Oh, dear.

Oh, they tell me——

Monetary Policy

Q. Mr. President, what do you——

Q. Excuse me, sir.

Q. Mr. President, has there been an attempt to achieve long-term cooperation and coordination of the Secretary of the Treasury's department and the Fed in order to make your job easier?

The President. Has there been cooperation—now, wait a minute.

Q. Has there been any attempt to make long-term cooperation and coordination of the Treasury Department and the Fed in order to make your job easier?

The President. I think that we have a better relationship than we started out now and largely thanks to Don Regan, the Secretary of the Treasury. And I must say that the Fed is cooperating, and there is not, as some people suspect—that the interest rates are where they are because they are going too deep in reducing the money supply. No, they are on a steady track that I think is proper with our growth today. And I believe that they, like those other people I quoted, will be the first to be willing to bring down the interest rates, the prime rate, the discount rate when we prove that we can get the Congress to adopt this budget.

So, now, I've just been told by the Senator here that there's only time for one more, and there's a little lady——

The Middle East

Q. Mr. President, this was my third chance.

The President. Well, I'll take two more then. [*Laughter*] I'll make the answer shorter. All right, okay—all right.

Q. In light of our country's participation in and support of Camp David accords, how do you justify the projected sale of extremely advanced jet fighters to Jordan and the hand-held heat-seeking missiles?

The President. How do we justify selling weapons to Jordan, high-level fighters and so forth at the same time in our agreement with and our alliance with Israel. Well, first of all, there has been no request as yet—there's been a lot of talk that I've read about it also—there's been no formal request from Jordan. But, on the other hand, it is—whatever is done, I want you to know what our policy is and what we're trying to accomplish. And Prime Minister Begin knows this.

Menachem and I exchange letters all the time on these subjects. [*Laughter*] We think one of the—and, yes, we're on a first-name basis now. [*Laughter*] That's kind of a shock to the striped-pants fellows over in the State Department that we call each other by the first name, but we do. And he knows that I meant it when I pledged to him that we will never allow them to—their qualitative and quantitative military advantage to be done away with, but that what we're trying to do with the more moderate Arab States is persuade them to become additional Egypts, to do as Egypt did.

The greatest thing that we can do for Israel is to bring peace to the Middle East. And if we're to be a believable broker, we can't impose that peace, of course. But if we are to be believable, then those moderate Arab States—and I've met with King Hussein and must say that I was greatly impressed by his whole approach and his views toward the Middle East. If we can persuade them to acknowledge the right of Israel to exist as a nation and enter into negotiations in that Camp David framework as Egypt did, that will be the greatest thing we can do. And in order to do that we have to show them that we're willing to be a friend other than just talking about it.

But, as I say, the Prime Minister knows that we are pledged and, I believe, morally bound in a commitment to the preservation of the state of Israel, that it must continue to exist.

Now then, this one has to be the last one, they tell me.

Latin America

Q. It's an historic pleasure to speak to you as President of the United States. I would like to have your response to this statement with reference to the Western Hemisphere. Now we are involved not only with a war in this hemisphere but with the South Central America. And it seems to me that we must now consider uniting with the Free Americas in order for us to have a more viable defense. And I'm wondering, is anything being done like you did to Jamaica, in helping them to develop their trade, so that they can be economically independent by exporting and importing?

The President. This is about our alliance with our neighbors to the south and the other continent and my statements about an accord, in which the full strength and the development can go forward, of North and South America. And we did—I think we have established better relations on the North American continent now than we've ever had—with Mexico and Canada. But—and I have just seen the President of Brazil off, who has been visiting in Washington with us. And, as you know, there has been some—quite some ill feeling between Brazil and the United States for some time. I think I can safely say they realize there's a whole new relationship now there.

The tragedy of the Falkland Islands—the quarrel that's going on there—I'm worried as perhaps—and I hope only temporarily slowed what we intend to be a real relationship and an accord with our neighbors to the south. We've done our best and are continuing to do everything we can to, again, broker a peace down there.

At the same time, we can't ignore the fact that the aggressor was our neighbor here in these continents, Argentina, who, with military force, invaded the Falklands and took over. And if we—we must establish that that cannot happen in the world—that the rule of law prevails, not the rule of force. Where would we draw the line if we say, "Well, it's all right there"? Then how many other places are there in the world where there are boundary disputes? And do we literally say, "Well, it's all right for the one that thinks they're strong enough to do it, to go grab the territory"?

And we've been trying, as I say, and it's been very frustrating. We sometimes come where it seems as if we're almost to agreement, and then there still seems to be one hitching point. But we're going to keep on trying to bring that peace.

And then I recognize that because of our long-time friendship for Britain, that there are probably those in Latin America who have now drawn back and who feel that maybe we weren't sincere in our overtures to them. But we're going to go right back at that, because a dream that I nurse above all is that if you look at the potential of these two continents, linked by Central America—600 million people here in these two continents, probably a wealth of resources of virtually everything that you need for an industrial society—so much of it still underdeveloped—and all of us bound together by the common heritage that we were all once colonies, and we now are all independent.

We want freedom for ourselves, and I think the rest of the world would really have to look on in awe if they saw us with our democratic ideals, banded together here, not giving up our national sovereignty or our culture or our customs or languages, but friendly allies bound together in the Western Hemisphere. And this is our dream, and we'll have at it again if we can just finish off this little business that's going on down there right now.

Thank you all very much. Thank you.

And the "thank you" that I have just said several times for your warmth of welcome and your kindness is only a fraction of what the "thank you" will be if, in November, you've told me that you're sending John Heinz back to Washington.

Note: The President spoke at 4:40 p.m. in the Dominion Ballroom at the Franklin Plaza Hotel. Following his appearance at the reception, he attended another reception for Senator Heinz and then returned to Washington, D.C.

Nomination of Gary L. Jones To Be Under Secretary of Education
May 14, 1982

The President today announced his intention to nominate Gary L. Jones to be Under Secretary of Education. He would succeed William C. Clohan, Jr.

Since October 1981 Dr. Jones has been serving as Deputy Under Secretary for Planning and Budget, Department of Education. Prior to that he was director of the general grants program for the Chicago-based MacArthur Foundation. He served the Reagan for President campaign as director of research and policy coordination during the initial phase of the campaign. Before joining the campaign, Dr. Jones was vice president for administration at the American Enterprise Institute for Public Policy Research. He also served as associate editor of two of AEI's periodical publications, Regulation and Public Opinion, and was active in AEI's academic outreach program.

Previously Dr. Jones served as assistant to U.S. Senator Robert Griffin (R–Mich.). In 1966–1970 he served in the admissions office at Albion College, the last 2 years as assistant director. He is a member of the American Association for Higher Education, American Association of School Administrators, and the National School Board Association.

Dr. Jones graduated from Albion College (A.B., 1966) and State University (M.A., Ph. D.). He resides in Fairfax, Va. He was born in Jackson, Mich., on May 6, 1944.

Nomination of James B. Burnham To Be United States Executive Director of the International Bank for Reconstruction and Development
May 14, 1982

The President today announced his intention to nominate James B. Burnham to be the United States Executive Director of the International Bank for Reconstruction and Development for a term of 2 years. He would succeed Colbert I. King.

Dr. Burnham is currently special assistant to the Chairman and Staff Director of the President's Council of Economic Advisers. Prior to assuming his current position in February 1981, he was vice president, chairman of the country review committee, and head of the office of government affairs of Mellon Bank, N.A., Pittsburgh. Before joining Mellon Bank in 1971, he served as economist and special assistant at the Board of Governors of the Federal Reserve System.

Dr. Burnham has also been on the faculty of the University of Pittsburgh as an adjunct associate professor of business. He was president of the Economic Club of Pittsburgh in 1975–1976. He is a member of the American Economic Association and the National Association of Business Economists.

Dr. Burnham graduated from Princeton University (A.B., 1961) and Washington University in St. Louis (Ph. D., 1970). He was a Fulbright Scholar in Brazil at the University of São Paulo. He is married, has four children, and resides in Washington, D.C. He was born in New York City on October 22, 1939, and is the son of James Burnham, Sr., editor of the National Review.

Executive Order 12362—Overseas Employment

May 12, 1982

By the authority vested in me as President of the United States of America by Sections 3301 and 3302 of Title 5 and Section 301 of Title 3 of the United States Code, and in order to permit certain overseas employees to acquire competitive status upon returning to the United States, it is hereby ordered as follows:

Section 1. A United States citizen who is a family member of a civilian employee or of a member of a uniformed service and who has completed a total of 24 months of fully satisfactory service under one or more overseas appointments in the excepted or competitive civil service, may be appointed noncompetitively to a competitive service position in the Executive branch within the United States (including Guam, Puerto Rico and the Virgin Islands) if he or she meets the qualifications and other requirements established by the Director of the Office of Personnel Management and the provisions of this Order.

Sec. 2. In order to be eligible for noncompetitive appointment to positions within the United States under this authority, such an individual must:

(a) have been appointed to an overseas position or positions while residing in the overseas area under local hire procedures approved by the Director of the Office of Personnel Management;

(b) have completed 24 months of overseas service in an appropriated fund position after January 1, 1980 within a ten year period from the date of initial appointment;

(c) have received a satisfactory or better performance rating for such overseas service;

(d) have been a family member of a civilian employee or of a member of a uniformed service (the civilian or uniformed sponsor) while serving in the overseas position or positions;

(e) have accompanied the civilian or uniformed sponsor on official assignment to an overseas post of duty while serving in the overseas position or positions; and

(f) exercise the eligibility for noncompetitive appointment within two years of returning to the United States.

Sec. 3. The Director of the Office of Personnel Management shall prescribe such regulations as may be necessary to implement this Order, including uniform local hire procedures to assure merit selection of overseas employees.

Sec. 4. To the extent there is any conflict between this Order and Civil Service Rule 8.2 (5 CFR 8.2), the provisions of this Order shall control.

RONALD REAGAN

The White House,
May 12, 1982.

[*Filed with the Office of the Federal Register, 10:32 a.m., May 17, 1982*]

Note: The text of the Executive order was released by the Office of the Press Secretary on May 15.

Radio Address to the Nation on Armed Forces Day
May 15, 1982

My fellow Americans:

Today marks the United States' 33d observance of Armed Forces Day, a tradition begun by President Truman to honor the men and women who serve our country in uniform. I want to take this occasion to reflect on the job they're doing and what it means to us.

One of the oldest truths in the world is that nothing worth having is cheap. And many times, the greater the good, the higher its cost. Keeping America free has cost us dearly over the centuries. Since 1776 we as a nation have lost thousands of lives and suffered thousands of injuries to guarantee our freedom. Preserving the peace also requires the daily toil of millions of men and women who, without fanfare and glory, serve to protect our freedom and security.

The men and women in our armed services are our final protection against those who wish us ill. The soldier, the sailor, the airman, and the marine in the United States and around the world are the ultimate guardians of our freedom to say what we think, go where we will, choose who we want for our leaders, and pray as we wish.

It is sad that these rights, which should belong to all people, are not fully enjoyed by most of the human family. It is sadder still that some in the world view such freedom as a threat to their right to rule over their fellow citizens, and so long as that's true, we can't afford to take our freedom for granted. It cannot survive without protection. And for their role in protecting our freedoms, we honor the members of our volunteer Armed Forces today.

Their jobs are difficult, requiring judgment, technical know-how, endurance, and in many cases exposure to danger. We ask them to put in long hours under trying conditions. Many serve far from their homes and families, prepared, if need be, to make the ultimate sacrifice for our nation. In short, they give us their all.

So, I would like to thank them today: the Army tank crewmember in Germany or Korea, responsible for maintaining a 55-ton machine so that it's ready at a moment's notice; the sailor in the Indian Ocean who's been away from home for 4 months and is working 18 hours a day in a hot engine room or carrying chocks for returning aircraft; the Air Force security policeman guarding our nuclear alert aircraft in the Texas heat or the North Dakota winter; the Marine squad leader on Okinawa working with his men to provide the most efficient combat team in the world. All these people and the rest of their comrades in arms we thank today.

There is another group which deserves special thanks—the wives of our servicemen, wives who take care of the families and raise the children while their husbands are at sea or stationed far away, and wives who have left our shores to be in a faraway land with their husbands.

I had a letter the other day from one young wife describing what life was like where they were stationed. I could read homesickness between the lines, but not one word of complaint—only great pride in what her husband is doing. Their contribution is critical; the separation, the long hours, the hard work, and, up until recently, the low pay—all these have been burdens to them as well. The understanding and encouragement they give our servicemen is something we must all be grateful for.

So, on behalf of all you listening, I want to take these few minutes today to thank our men and women in uniform and their families and to ensure them their government and their fellow citizens are determined to provide them with the equipment, training, and, just as importantly, the respect they have so richly earned. With their help, the United States remains at peace.

Our allies enjoy the same benefit. Our national determination to defend freedom at the borders where it's threatened is fully matched by the quality and spirit of the more than 2 million soldiers, sailors, airmen, and marines who proudly wear the American uniform.

I received another letter from one of our ambassadors in Europe. He wrote that a 19-year-old trooper in our armored cavalry had asked that he send me a message. It was: "Tell the President we're proud to be here, and we ain't scared of nothing."

In James Michener's book "The Bridges at Toko-Ri," he writes of an officer waiting through the night for the return of planes to a carrier as dawn is coming on. And he asks, "Where do we find such men?" Well, we find them where we've always found them. They are the product of the freest society man has ever known. They make a commitment to the military—make it freely, because the birthright we share as Americans is worth defending. God bless America.

Thanks for tuning in. I'll be with you again next Saturday. Until then, God bless you.

Note: The President spoke at 12:06 p.m. from the Oval Office at the White House.

Nomination of Two Members of the Board of Directors of the United States Synthetic Fuels Corporation

May 17, 1982

The President today announced his intention to nominate the following individuals to be members of the Board of Directors of the United States Synthetic Fuels Corporation.

John B. Carter, Jr., is currently senior vice president and director of Pogo Producing Co. in Houston, Tex. He was with Lehman Brothers in 1959–1977, serving as southwestern representative in 1959–1965, general partner in 1965–1977, and managing director in 1970–1977. He was an independent oil operator and financial consultant in 1952–1958 and was president of Texas Fund Research and Management Associates in 1950–1952. He attended the University of Texas in 1943–1946 and Babson College in 1946–1974. He is married, has two children, and resides in Houston, Tex. He was born October 19, 1924. He would succeed Kathryn Blanchard Cleary. This would be for a term of 2 years.

Milton M. Masson, Jr., is currently executive vice president and treasurer of Sullivan and Masson, Inc., consulting engineers, architects, and construction managers based in Arizona. As a partner, he has led the development of Sun Eagle Development Co. in Colorado and serves as board member and vice president. In addition, he presently serves as a board member of the newly developed Pacific Texas Pipe Line Co. Prior to 1980, Mr. Masson served as a member of the board of directors of Security Savings and Loan, a Tucson-based savings and loan bank. He was employed with Ellers, Reaves, Fanning, Okley, Inc., in 1967–1969. He graduated from Christian Brothers College (B.S., 1964) and did graduate work in business and economics at the University of Missouri. He is married, has two children, and resides in Scottsdale, Ariz. He is 40 years old. He would succeed John D. DeButts. This would be for a 1-year term.

Message to the Congress Transmitting a Proposed Constitutional Amendment on Prayer in School

May 17, 1982

To the Congress of the United States:

I have attached for your consideration a proposed constitutional amendment to restore the simple freedom of our citizens to offer prayer in our public schools and institutions. The public expression through prayer of our faith in God is a fundamental part of our American heritage and a privilege which should not be excluded by law from any American school, public or private.

One hundred fifty years ago, Alexis de Tocqueville found that all Americans believed that religious faith was indispensable to the maintenance of their republican institutions. 1 de Tocqueville, *Democracy in America* 316 (Vintage ed. 1945). Today, I join with the people of this nation in acknowledging this basic truth, that our liberty springs from and depends upon an abiding faith in God. This has been clear from the time of George Washington, who stated in his farewell address:

> Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. . . . And let us with caution indulge the supposition that morality can be maintained without religion. . . . (R)eason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle.

35 *The Writings of George Washington* 229 (J. Fitzpatrick ed. 1940).

Nearly every President since Washington has proclaimed a day of public prayer and thanksgiving to acknowledge the many favors of Almighty God. We have acknowledged God's guidance on our coinage, in our national anthem, and in the Pledge of Allegiance. As the Supreme Court has stated: "We are a religious people whose institutions presuppose a Supreme Being." *Zorach* v. *Clauson,* 343 U.S. 306, 313 (1952).

The founders of our nation and the framers of the First Amendment did not intend to forbid public prayer. On the contrary, prayer has been part of our public assemblies since Benjamin Franklin's eloquent request that prayer be observed by the Constitutional Convention:

> I have lived, Sir, a long time, and the longer I live, the more convincing proofs I see of this truth—that God governs in the affairs of men. . . . I also believe that without his concurring aid we shall succeed in this political building no better than the Builders of Babel: We shall be divided by our little partial local interests; our projects will be confounded, and we ourselves shall become a reproach and bye word down to future ages. . . .
>
> I therefore beg leave to move—that henceforth prayers imploring the assistance of Heaven, and its blessings on our deliberations, be held in this Assembly every morning before we proceed to business. . . .

1 *The Records of the Federal Convention of 1787,* 451–52 (M. Farrand ed. 1966).

Just as Benjamin Franklin believed it was beneficial for the Constitutional Convention to begin each day's work with a prayer, I believe that it would be beneficial for our children to have an opportunity to begin each school day in the same manner. Since the law has been construed to prohibit this, I believe that the law should be changed. It is time for the people, through their Congress and the state legislatures, to act, using the means afforded them by the Constitution.

The amendment I propose will remove the bar to school prayer established by the Supreme Court and allow prayer back in our schools. However, the amendment also expressly affirms the right of anyone to refrain from prayer. The amendment will allow communities to determine for themselves whether prayer should be permitted in their public schools and to allow individuals to decide for themselves whether they wish to participate in prayer.

I am confident that such an amendment will be quickly adopted, for the vast majority of our people believe there is a need for prayer in our public schools and institutions. I look forward to working with Congress to achieve the passage of this amendment.

RONALD REAGAN

The White House,
May 17, 1982.

JOINT RESOLUTION

Proposing an amendment to the Constitution of the United States.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress:

"Article–

"Nothing in this Constitution shall be construed to prohibit individual or group prayer in public schools or other public institutions. No person shall be required by the United States or by any State to participate in prayer."

Nomination of Elizabeth Flores Burkhart To Be a Member of the National Credit Union Administration

May 17, 1982

The President today announced his intention to nominate Elizabeth Flores Burkhart to be a member of the National Credit Union Administration for the remainder of the term expiring April 10, 1985. She would succeed Lawrence Connell, Jr.

Mrs. Burkhart is currently serving as Associate Deputy Administrator for Information Resources Management at the Veterans Administration. She has been with the Veterans Administration since June 1981, first serving as consultant and later as Assistant Deputy Administrator. She was deputy treasurer for the Reagan-Bush Compliance Committee and cost center manager for the Reagan-Bush Committee. In 1979–1980 she was controller of the George Bush for President Committee in Houston, Tex. Previously she was assistant vice president of Texas Commerce Bank in Houston, Tex., having served with that institution in 1968–1979. She served in the United States Marine Corps in 1954–1956.

She graduated from Midwestern University (B.A., 1966) and Houston Baptist University (M.B.A., 1979). She is married and resides in Washington, D.C. She was born July 19, 1935.

Remarks of the President and Prime Minister J. Malcolm Fraser of Australia Following Their Meeting

May 17, 1982

The President. It's been a great pleasure to welcome the distinguished Prime Minister of Australia, Malcolm Fraser, on his latest visit to Washington. As you know, he was here last June, and this meeting, like that one, has been most valuable.

Prime Minister Fraser graciously hosted the very successful visit of Vice President Bush to Australia a few weeks ago. Australia and the United States have been partners, friends, and allies for more than 40 years. I've had the benefit today of the Prime Minister's views on matters that may arise at the Versailles and Bonn summit meetings, and we've discussed other matters of concern, such as the Falkland Island crisis and the East-West issues. Through consultations such as these, our individual efforts are made mutually supportive.

The Prime Minister will be in New York tomorrow before leaving for Seoul and Tokyo. We wish him a good trip. I've asked him to carry my greetings and those of the American people back home with him to the Australian people.

Welcome; we're delighted to have you here even for the brief visit.

The Prime Minister. Mr. President, I'd like to say how much I appreciate the opportunity for the kind of discussions and consultations that have been made possible through the period of your administration.

The discussions that we had only a short while ago with Vice President Bush were very useful, and we were delighted, indeed, to have the Vice President in Australia, especially for the time that he was there during Australia-American Week, which each year commemorates the Battle of the Coral Sea, which was the occasion which secured and made Australians understand that they'd be free from the threat and fear of invasion. And ever since then, that particular week has been celebrated in Australia, and to have Vice President Bush with us through those celebrations on this occasion was particularly appreciated. And the discussions that I and my colleagues had with the Vice President were obviously useful.

But those discussions set our minds at work, and we know, Mr. President, the importance of the meetings that you'll be participating in next month in Versailles and at Bonn—the economic meetings and the meetings of the heads of government of the NATO powers. And while we're not a party principal to these discussions, as with other free societies we're obviously affected by the outcomes of those discussions. And we know that the role that you'll be playing at both meetings is going to be critical to their success.

And for that reason in particular, Mr. President, I value the opportunity for an exchange of views with you today which, I believe, have been very constructive and useful, and I'd like to thank you for the opportunity at relatively short notice when I know you must be preparing for those meetings in Europe.

I'd like to wish you good fortune in your visit to Europe, because much will be depending upon it. Much will be depending upon the outcomes not only for the principal participants but for free peoples wherever they are.

So, thank you very much, indeed, Mr. President.

Note: The President spoke at 4 p.m. to reporters assembled on the South Grounds of the White House.

Message to the Congress Reporting Budget Deferrals
May 18, 1982

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report revisions to six deferrals previously reported, increasing the amount deferred by $7.5 million.

The deferrals affect programs in the Departments of Commerce, Health and Human Services, and Justice as well as the Small Business Administration.

The details of each deferral are contained in the attached reports.

RONALD REAGAN

The White House,
May 18, 1982.

Note: The attachments detailing the deferrals are printed in the Federal Register *of May 24, 1982.*

Statement by Deputy Press Secretary Speakes on Strategic Arms Reduction Talks

May 18, 1982

We welcome President Brezhnev's announced willingness to begin negotiations on substantial reductions in strategic nuclear arms.

We will study Brezhnev's statement in detail, which we have not yet had a chance to do.

With regard to President Brezhnev's proposal to freeze strategic arms as soon as the talks begin:

—As we have said before, a freeze now would codify existing Soviet military advantages; and

—remove Soviet incentives to agree to the substantial reductions which President Reagan has identified as our primary objective in START.

With regard to Brezhnev's proposal to limit additional deployments of intermediate-range missiles:

—This appears to be little more than a reiteration of an earlier Soviet proposal to freeze the current nuclear imbalance in Europe.

—As such, it falls far short of President Reagan's proposal for the total elimination of longer range, land-based IFN missiles on both sides.

Nomination of Two Members of the National Council on the Humanities

May 18, 1982

The President today announced his intention to nominate the following individuals to be members of the National Council on the Humanities, National Foundation for the Humanities, for terms expiring January 26, 1988.

Dr. George Carey is currently a professor of government at Georgetown University. He is the cofounder and editor of the journal, the Political Science Reviewer. He is the author of numerous books, including "The Second Federalist" (with Charles Hyneman) and "The Basic Symbols of American Politics" (with Willmoore Kendall). He is married, has one child, and resides in Falls Church, Va. He was born November 26, 1933. He would succeed A. D. Frazier, Jr.

Dr. Ellis Sandoz is professor of political science at Louisiana State University in Baton Rouge. He formerly served as chairman of the political science department and is a leading authority on the contributions of Eric Voegelin to political philosophy. He is married, has four children, and resides in Baton Rouge. He was born February 10, 1931. He would succeed Concha Ortiz y Prino de Kleven.

Appointment of Seven Members of the Commission on Presidential Scholars

May 18, 1982

The President today announced his intention to appoint the following individuals to be members of the Commission on Presidential Scholars.

Bruce E. Brombacher will serve during his tenure as National Teacher of the Year. He is a teacher and chairman of the mathematics department at Jones Junior High School in Arlington, Ohio. He is married, has two children, and resides in Westerville, Ohio. He was born July 3, 1948.

Thomas R. Capecelatro has been an instructor of industrial education for the Norwalk Board of Education since 1976. In addition, he has been owner and manager of a carpentry/landscaping business since 1972. He graduated from Central Connecticut State College (B.S., 1976). He is married, has one child, and resides in Derby, Conn. He was born March 6, 1954.

Betty L. Holmes is associate executive director of the Lake Cumberland Medical Center in Somerset, Ky. She was associate executive director/nursing service at Suburban Hospital in Louisville, Ky., in 1972–1980. She received her R.N. from the Norton Memorial Infirmary School of Nursing (1950) and graduated from the University of Louisville (B.A., 1971). She has four children and resides in Louisville, Ky. She was born July 9, 1927.

Martha C. Moore is Republican National Committeewoman for Ohio, elected in 1968. She attended Wellesley College and graduated from Muskingum College and Ohio State University. She resides in Cambridge, Ohio. She was born November 13, 1918.

James P. Morris is owner and manager of the Commercial Warehouse Co. and Sun City Transfer and Storage Co. in Albuquerque, N. Mex. He is also chairman, Republican State Central Committee of New Mexico. He attended the University of New Mexico. He is married, has three children, and resides in Albuquerque. He was born August 12, 1935.

Priscilla B. Rakestraw is Republican National Committeewoman from Delaware. In addition, she is personnel and training supervisor in the biochemical department at E.I. du Pont de Nemours and Co., Inc. She is married and resides in Hockessin, Del. She is a graduate of Goldey Beacom Junior College. She was born June 7, 1942.

Samuel N. Stroum is chairman of the board and chief executive officer of Schuck's Auto Supply, Inc., in Seattle, Wash. In addition, he serves as a board member and chairman of the audit committee for the Seafirst Corp. and Seattle-First National Bank. He is married, has two children, and resides in Mercer Island, Wash. He was born April 14, 1921.

Appointment of 26 Members of the Presidential Commission on Drunk Driving, and Designation of Chairman

May 18, 1982

The President today announced his intention to appoint the following individuals to be members of the Presidential Commission on Drunk Driving. The President also announced his intention to designate John A. Volpe to be Chairman.

John A. Volpe was Ambassador to Italy in 1973–1977. He is a former Secretary of Transportation and was Governor of Massachusetts in 1960–1962 and 1964–1969. He resides in Nahant, Mass.

V. J. Adduci is president and chief executive officer of Motor Vehicle Manufacturers Association of the U.S., Inc., based in Detroit and Washington, D.C. He resides in Falls Church, Va.

Van Henry Archer, Jr., is a council member in San Antonio, Tex., where he resides. In addition, he is a stockbroker with George E. Dullnig Co.

Ross Barrett is senior vice president and senior corporate officer on the west coast for Metromedia, in Los Angeles, Calif. He resides in Los Angeles.

Michael D. Bradbury has been serving as district attorney for Ventura County in California since 1978. He resides in Camarillo, Calif.

Morris E. Chafetz, M.D., has been president of the Health Education Foundation in Washington, D.C., since 1980. He resides in Washington.

Joseph M. Dealey is chairman of the board of A. H. Belo Corp. and publisher of the Dallas Morning News. He resides in Dallas, Tex.

James R. Edgar is serving as secretary of state for the State of Illinois. He resides in Springfield.

Sherman G. Finesliver has been serving as District Judge, United States District Court, Colorado, since 1971. He resides in Denver, Colo.

James S. Kemper, Jr., is chairman of the board, Kemper Group, in Long Grove, Ill. He resides in Golf, Ill.

Henry B. King is president of the U.S. Brewers Association. He resides in Washington, D.C.

Patience Latting has been serving as mayor of Oklahoma City, Okla., since 1971. She resides in Oklahoma City.

Ann Landers is a syndicated human relations columnist. She resides in Chicago, Ill.

Candace Lightner is president and chief executive officer of M.A.D.D. (Mothers Against Drunk Driving). She resides in Fair Oaks, Calif.

Forst Lowery is serving as safety program coordinator for the Minnesota Department of Public Safety. He resides in Hopkins, Minn.

G. W. Hank McCullough is self-employed in real estate and communications. He was a founder of the Alcoholism Council of California and its president for the first 5 years. He resides in Woodside, Calif.

Frederick A. Meister, Jr., president of the Distilled Spirits Council of the United States. He resides in Great Falls, Va.

William N. Plymat is executive director of the American Council on Alcohol Problems in Des Moines, Iowa, where he resides.

Joseph A. Pursch, M.D., currently serves as corporate medical director and member of the board of directors for Comprehensive Care Corp. (CompCare). He also maintains a private practice. He resides in Laguna Niguel, Calif.

Walter Shea is executive assistant to Teamster General President Roy L. Williams and has been with the Teamsters organization since 1957. He resides in Bethesda, Md.

Milton Skyring is project director of Checkmate, Baton Rouge City Court, in Baton Rouge, La., where he resides.

William T. Smith II has been serving in the New York State Senate since 1962. He was named chairman of the Senate Special Task Force on Drunk Driving in 1980. He resides in Big Flats, N.Y.

Stan Statham has been serving as a State assemblyman for California since 1976. He resides in Roseville, Calif.

Vincent L. Tofany has been serving as president of the National Safety Council since his election in 1973. He resides in Chicago, Ill.

Dick Vincent Van Patten is an actor in Beverly Hills, Calif. He resides in Sherman Oaks, Calif.

Frank D. White is Governor of the State of Arkansas. He resides in Little Rock.

Note: On the same day, the Office of the Press Secretary released the following announcement.

In addition to the members of the Commission on Drunk Driving announced by the President today, the Majority Leader of the Senate and the Speaker of the House have designated two Members of each House to participate. They are as follows:

Senator Robert Dole of Kansas,
Senator Claiborne Pell of Rhode Island,
Representative James V. Hansen of Utah, and
Representative Michael D. Barnes of Maryland.

Remarks Announcing the Formation of the Statue of Liberty-Ellis Island Centennial Commission

May 18, 1982

The President. Well, I'm very proud to accept that on behalf of the people of the United States—my landlords.[1] [*Laughter*]

Good afternoon. Today we're launching, as you well know, a commission whose task will be the rehabilitation of one of our most cherished symbols of liberty.

Much has been said over the years about the diversity of the American people and the vitality and resilience of the American character. Well, that character isn't centered around any one religious denomination—for in our country there are many religions; everyone has a right to worship God as he or she chooses. It isn't based on any one ethnic group or race—for our people come in all shades and shapes, and we remain dedicated to the proposition that all of them are created equal. And I've found out in my present capacity now, that I love to tell jokes now and then. But I'm almost restricted to Irish jokes—[*laughter*]—I can't stray for fear of some misunderstanding. [*Laughter*]

But our national character is based on a common identity with a single ideal, a shared value that overcomes our differences and unites us as a people. What has made us a nation is our love of liberty and our realization that we're part of a great historic venture, an experiment in freedom to test the ability of people to live together in freedom, respecting the rights of others and expecting that their rights, in turn, will be respected.

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[1] *The President was presented with painting number one in a series of six paintings of the Statue of Liberty by Peter Max.*

I've said on a number of occasions that I can't help but believe—you can call it mysticism if you will—that God must have placed this land here between the oceans to be found by a certain kind of people and a kind only in one thing: that whatever corner of the world they came from, they had the courage—and the desire for freedom that went with it—to uproot themselves and come to this strange land, beginning back when it was the most underdeveloped land in the world, and come here leaving family and come to a strange language and everything that went with that kind of a move.

I think our vision of liberty is reinforced by shared symbols and experiences. Perhaps the strongest image of them all is the one that for millions of Americans was their first glimpse of America—that Statue of Liberty.

At the turn of the century, America was blessed with an influx of new immigrants who became citizens and played a significant role in building our country and protecting our freedom. Most of them entered under the shadow of the statue and were processed into the United States, as we know, through Ellis Island. Between 1892 and its closing in 1954, Ellis Island was the clearinghouse for millions of immigrants. Many who passed through the gates at Ellis Island had little more than what they carried with them, yet they possessed a determination that with hard work and freedom, they would live a better life and their children even more so.

They were captured by the American dream. And both they and their new country were the better for their efforts and their faith, because they not only came here for something but just as they came from every corner of the world, they brought something from every corner of the world to this great melting pot. And maybe in so doing, they proved how artificial are the prejudices and the hatreds that exist in the world, because we proved that we could all mix and, I don't know, to this day, one of the first questions you usually ask when you make friends with someone is what is their ancestry? What country? And it used to be that they'd say Irish or German or French or whatever, and now they have to say three of four names because they've mixed. In fact, I've got three in mine—Irish, English, and Scotch—and our children can add a fourth and have another country now. But today we declare that no longer functioning as it is, Ellis Island as a processing center, its contribution is not over. It remains a unifying memory for millions of our citizens.

Our goal is to restore Ellis Island in time for the celebration of the centennial of the Statue of Liberty, beginning on July 4th, 1984. I might add one note: The Statue of Liberty was built with funds contributed by people from all over France. Its base was constructed in part with contributions from American schoolchildren. And restoring Ellis Island, another monument to our freedom, is worthy of the same kind of heartfelt, voluntary effort. Both the Statue of Liberty and Ellis Island can help us all remember how grateful we should be to live in this land of freedom and good will.

You know, I know that there's one here—or have you already told them? Lee's[2] parents came to this country in search of that kind of opportunity through Ellis Island. And he certainly has proven what America has to offer for those immigrants, or for the sons and the daughters of them.

So now, I just thank you all for being here with us today to help launch this campaign. And God bless you all.

Secretary Watt. Thank you very much, Mr. President.

When I introduced the other members of the Commission, I failed to have them stand up. Would you stand up? I'm not sure where you are—the other members of the Commission that have been appointed. And if, Mr. President, if these men that have agreed to serve on the President's Commission would come forward, I'd like to introduce the President to you, and we'll catch him before he gets out. If I could ask you men to come over here. And Lee, if you'll join us.

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[2] *Lee Iacocca, chairman of the Chrysler Corporation.*

[*At this point, Secretary Watt introduced the Commission members.*]

The President. Well, I think we're all grateful to these gentlemen that are going to take on this task, and I know that we'll get it done.

And they told me now that I have to leave and go back to work. [*Laughter*]

Note: The President spoke at 1:35 p.m. in the East Room at the White House after being introduced by Secretary of the Interior James G. Watt.

Prior to the President's remarks, Secretary Watt addressed the audience, which included several Commission members, and introduced Lee Iacocca, Chairman of the Commission.

The Commission is composed of private citizens who have volunteered to enlist the resources of the private sector in restoring the Statue of Liberty and Ellis Island.

Nomination of George Quincey Lumsden, Jr., To Be United States Ambassador to the United Arab Emirates

May 19, 1982

The President today announced his intention to nominate George Quincey Lumsden, Jr., to be United States Ambassador to the United Arab Emirates. He would succeed William D. Wolle.

Mr. Lumsden served in the United States Navy as lieutenant in 1952–1955. In 1955–1956 he was the group service representative at Prudential Insurance Co. in Newark, N.J., and Pittsburgh, Pa. He entered the Foreign Service in 1957 as program officer at the Department of State Reception Center in New York, N.Y. He was consular officer in Izmir in 1959–1961, economic officer in Bonn in 1962–1964, and consular-political officer in Amman in 1965–1967. In 1968–1969 he attended Arabic language and area studies in Beirut and was Chief of the Economic Section in Kuwait in 1969–1972. In the Department, he was country officer for Kuwait, Bahrain, Qatar, and the United Arab Emirates in 1972–1975. He was general economic policy officer in Paris in 1976–1979. Since 1979 he has been Deputy Director of Arabian Peninsula Affairs in the Department.

Mr. Lumsden graduated from Princeton University (B.A., 1952) and attended Georgetown University in 1956–1957. His foreign languages are Arabic, French, and German. He is married, has two children, and resides in Bethesda, Md. He was born September 19, 1930.

Nomination of Stephen A. Sharp To Be a Member of the Federal Communications Commission

May 19, 1982

The President today announced his intention to nominate Stephen A. Sharp to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1982. He would succeed Abbott Washburn.

Mr. Sharp is currently serving as General Counsel for the Federal Communications Commission. He was an attorney at law with the firm of Schnader, Harrison, Segal and Lewis, Washington, D.C., in 1978–1981. He was legal assistant to Federal Communications Commissioner Margita E. White in 1976–1978. Previously he was staff attorney in the Office of the General Counsel at the Federal Communications Commission in 1974–1976.

He graduated from Washington and Lee University (B.A., 1969) and the University of Virginia School of Law (J.D., 1973). He is married, has one child, and resides in Alexandria, Va. He was born June 10, 1947.

Remarks of the President and King Hassan II of Morocco Following Their Meetings

May 19, 1982

The President. His Majesty, King Hassan II of Morocco. We met this morning, and he was my guest at a luncheon. He's a firm friend of the United States, and his working visit to Washington gives us an opportunity to build on two centuries of cordial diplomatic relations between our two countries.

It's a real personal privilege and pleasure to have His Majesty as our guest. King Hassan is the leader of a great nation at the crossroads of two continents, lying on NATO's southern flank at the entrance to the Mediterranean. It has deep ties to Africa, Europe, the Middle East, and the whole Islamic world. We therefore discussed not only bilateral relations but a wide range of regional and global issues.

I deeply value the depth of experience and breadth of vision that His Majesty brings to the issues of profound mutual concern. His Majesty briefed me on the latest developments in his efforts to reach a peaceful settlement of the conflict in the Western Sahara. And I expressed my admiration for his support of the OAU, Organization of African Unity, referendum.

We discussed opportunities for continued progress in the Middle East and agreed to continue a strategic dialog on security issues.

We reviewed the progress that we've achieved in augmenting our bilateral relations, the Bi-National Committee for Economic Relations that Secretary Baldrige chaired last January, the Joint Military Commission that held its first meeting last month, and the agreement establishing a binational commission for a cultural and education exchange that Secretary Haig signed in Morocco in February.

We considered other opportunities for closer cooperation between our two countries in private investment, trade, and other areas. And I expressed to His Majesty the great value the United States places on cooperation with him and on friendship with Morocco, a country that stood with us at our independence, fought at our side during the Second World War, and joins with us today in the quest for world peace and security.

Your Majesty, we're honored to have you here, and we bid you welcome.

The King. Mr. President, I shall try to be understood against—and in my very bad English. But I shall try to speak the language of the heart to thank you very deeply, you and your government and your people, for your hospitality. And I can assure you that from yesterday in the afternoon, still now, I really felt that I was between very strong and loyal friends.

Naturally, the nature of the problems of the United States and the nature of our problems in Morocco, they have not the same volume and they are not at the same level. But the nature is the same. Our problems, like your problems, are to live in the dignity, in the freedom, and in the way of life which our people choose for themselves and for the future.

A big ocean is between the United States and Morocco. But we must, each day after each day, we must try to build a bridge of solidarity and understanding. We can—or you could some time, you and I, have not the same analysis or the same position for one—[*inaudible*]—situation in the world. That is the sign of your independence and our independence and the sign of our free exercise of our sovereignty, as you are free to exercise your sovereignty.

But the importance is to see and to know that always, as before, Moroccan people and American people are ready and will be ready always to fight for the same ideal and to mix their blood for the dignity of man and the freedom of the countries.

Again, Mr. President, I thank you very warmly for your hospitality, and I wish for your country prosperity and glory and for yourself, health and success. Thank you.

Note: The President spoke at 1:48 p.m. on the South Lawn of the White House. Following their remarks to the press, the President and King Hassan boarded Marine One and went to Fairfield Farm, near Hume, Va., for an afternoon of horseback riding. The farm is owned by J. Willard Marriott, Sr.

Earlier in the day, the President and the King met in the Oval Office with their advisers and then attended a luncheon meeting in the State Dining Room.

Remarks at a White House Reception for Members of the American Retail Federation

May 20, 1982

Thank you very much—and I know that we've kept you waiting out here, but then I thought you were out here in the cool, fresh air and that you wouldn't—[*laughter*]—you wouldn't mind that.

It's a privilege to welcome the merchants of America to the White House. And you're the no-nonsense people who end every day by examining the bottom line. You understand the risks and the rewards of investment. Incentive is a tool of your trade, and you get ahead by banking on your faith in the American people.

The wholesale and retail trade employs some 21 million Americans, as you well know. And you produce more jobs than almost any other sector of the economy. Retail sales are expected to account for more than a trillion dollars this year. And if you'd like to help with the debt, I'd—[*laughter*]—but believe me, I'm glad to see you.

You've been steadfast in your support of our program for economic recovery, and we in this administration understand that no plan can help our economy unless America's retailers are a part of that plan. And these gentlemen up here, who've just been in the office with me there before they came out here, have assured me of cooperation in continuing along the course that we started last year.

While interest rates, as you well know, remain painfully high and unemployment continues at hurtful and unacceptable levels, your industry may be beginning to inch us out of this recession. Last month retail sales rose by 1.4 percent. And I think the least we can say is that's a hopeful sign. But you also know, as I do, that the shot in the arm that our economy needs now is for responsible Members of the Congress to pass a budget that brings down the deficit.

This nation can no longer afford the big spending, big taxing policies that have held sway for the last 20 years. Deficit spending and strangling taxation created runaway inflation, sky-high interest rates, and these unacceptable rates of unemployment.

I think we've finally gotten through to the big spenders. Most of them now actually say out loud that deficits are bad. And—[*laughter*]—unfortunately they seem to think the American people caused the deficits by not paying enough taxes. Well, I've got another message for them from the heartland: We don't have a trillion-dollar debt because we don't tax enough; we have a trillion-dollar debt because government spends too much. Simply raising taxes won't do the trick.

You know, it's well for us to remember that in the last 5 years, taxes went up by more than 200 percent, and we still had in those 5 years the largest string of deficits in our history. I have every hope that soon the Congress will pass a budget resolution consistent with the goals that you and I embrace. And I still believe there are responsible members of both parties who place more importance on the economic health of this nation than on short-term political gain. If together we can both hold down taxes and cut spending, and if we can finally get control of that budget monster, then I believe a strong and lasting recovery isn't far away.

I thank you for coming today and for your help in our effort to return fiscal sanity to Washington. Your efforts have been key to our success so far. I'll rely on you, both as stalwarts of our economy and keepers of the faith, as we meet the challenges that are still ahead.

Just a little while ago in one of the meetings that delayed me and got us off schedule here, Jim Watt of the Department of Interior just gave me a little display. I took it off before I came out here. It's a lapel button. And he pointed out the fact that since 1849, when the Department of Interior was started, there has been a logo that is an American buffalo on the Department of Interior logo. And it has been facing to the left. And he has decided that, because we came here to change things with regard to the deteriorating parks, the buffalo now faces the other way. [*Laughter*]

Well, I have to duck back in there for the rest of that other meeting. But I'm going to turn you over to Secretary of the Treasury Don Regan for your questions that I know you will have and for additional remarks that'll inspire you also to carry on with us with regard to getting this budget reduced.

Note: The President spoke at 1:14 p.m. in the Rose Garden at the White House.

Nomination of Allie C. Felder, Jr., To Be a Member of the Board of Directors of the Overseas Private Investment Corporation

May 20, 1982

The President today announced his intention to nominate Allie C. Felder, Jr., to be a member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1984.

Mr. Felder has been a member of the Board of Directors of the Overseas Private Investment Corporation since 1971. He is presently senior vice president of the Cooperative League of the U.S.A., in Washington, D.C. He taught at the International Cooperative Training Center at the University of Wisconsin. He was an associate professor of agricultural economics at Hampton Institute. He spent 13 years in India as a consultant to the American International Association and for the Cooperative League of the U.S.A., serving as director of the Cooperative League's office there for 8 years.

He graduated from Hampton Institute (B.A.), the University of Illinois (M.S.C.), and Ohio State University (Ph. D.). He is married, has two children, and resides in Washington, D.C. He was born August 12, 1921.

Nomination of Three Members of the Commission on Civil Rights
May 20, 1982

The President today announced his intention to nominate the following individuals to be members of the Commission on Civil Rights.

Robert A. Destro is serving as general counsel for the Catholic League for Religious and Civil Rights in Milwaukee, Wis. In addition, he is adjunct associate professor of law at Marquette University School of Law. He was associate attorney with the firm of Squire, Sanders and Dempsey in Cleveland, Ohio in 1975–1977. Mr. Destro graduated from Miami University (A.B., 1972) and Boalt Hall School of Law (J.D., 1975). He is married and resides in Fox Point, Wis. He was born September 6, 1950. He would succeed Murray Saltzman.

Constantine Nicholas Dombalis is serving as dean of the Sts. Constantine and Helen Greek Orthodox Cathedral of Virginia, in Richmond, Va. He is also serving as president of the Hellenic College and Holy Cross Theological School Alumni Association and is on the National Presbyters Council. He serves on the State Board, Virginia Rehabilitative Services, the United States Holocaust Memorial Council, and the United States National Commission for UNESCO. He received degrees in theology from the following institutions: Hellenic College, Greek Orthodox Seminary of the Holy Cross, and the Episcopal General Theological Seminary. He did postgraduate work at the Episcopal Theological Seminary in Cambridge, Harvard University Divinity School, and Columbia University. He is married, has two children, and resides in Richmond, Va. He was born July 29, 1925. He would succeed Mary Frances Berry.

Guadalupe Quintanilla has been assistant provost at the University of Houston since 1978. She has been with the University of Houston since 1969 and has served as assistant professor, Spanish department, and curriculum and instruction department, since 1976. She was director of the Mexican-American studies program at that institution in 1972–1978. In addition, she has been director of the Spanish program for the YMCA, in Houston, Tex., since 1969. She graduated from Pan American University (B.S., 1969) and the University of Houston (M.A., 1971; Ed. D., 1976). She is married, has three children, and resides in Houston. She was born October 25, 1937. She would succeed Blandina Cardenas Ramirez.

Remarks at a Fundraising Dinner for Howard University
May 20, 1982

Dr. and Mrs. Cheek, Rawleigh Warner, Nancy, you ladies and gentlemen:

Nancy and I are very happy, delighted to be here with you tonight. I know the generosity and the feeling toward this school that has brought all of you here, and it wouldn't be possible to name all who have been so generous, but maybe I could say that Mr. Rawleigh Warner, I think, epitomizes the kind of spirit that is so supportive of this school. His contribution tonight was $25,000 and Rich Devoss, $20,000, and I know that there were others that, as I say, were worthy of mention, but I will just stop with those.

We've been looking forward to this evening, or this afternoon, however you want to describe it. Nancy was lucky enough to get Dr. Cheek over to the White House for lunch last fall. Then he returned the favor and had her back here for a tour of the campus and the activities of the hospital center, which, being a doctor's daughter, she's very much interested in. And, of course, Mike Deaver's been personally involved in Howard's fundraising drive. So, we couldn't be more pleased than to be here, lending a hand, if that's possible, to all that you're doing.

And now, Dr. Cheek, as I look around, I must say this is a pretty impressive group that you've brought in. In fact, you're all doing so well for Howard that I just have to wonder, how would you like to organize a little fundraiser to help us whittle down a trillion-dollar debt? [*Laughter*]

Now, don't anybody be frightened. If I may steal a line and paraphrase it a little bit from Shakespeare, "We came here today to praise you not to bankrupt you." [*Laughter*] We came to praise you for joining Howard University in an important step forward.

This university has offered all Americans, and particularly our young black Americans, invaluable opportunities to develop their talents and skills, training them for service to their professions, their communities, and their nation. Howard is widely recognized as the largest and certainly one of the finest black universities in the world.

Our administration is committed to the future of Howard and to the other historically black colleges and universities throughout our land. We must never forget that when educational opportunities were denied elsewhere, these institutions offered hope to our fellow Americans—young black Americans.

James Madison said that a well-instructed people alone can be permanently a free people. Well, it wasn't until 1867, in the aftermath of a tragic and violent war and Lincoln's Emancipation Proclamation, that America gave birth to a new era and to Howard University. This would be a center of learning to fulfill the promise of Lincoln, serving the people who had waited so long to enjoy what was theirs by birthright.

Lincoln was a simple man but he spoke great truths. He said, "No man is good enough to govern another man without that other's consent. This expresses my idea of democracy. Whatever differs from this is no democracy.

In the years that followed, Howard has fulfilled its mission—sending its trained graduates into the world to practice professions in all walks of life. Fifteen years ago, President Lyndon Johnson came to Howard to mark the celebration of the university's 100th anniversary, and he told the students, "The task is to give 20 million blacks the same chance as every other American: to learn and grow, to work and share in society, to develop their abilities, physical, mental, and spiritual, and to pursue their individual happiness."

His was a message from the heart, and his answer was a program of political action and economic redistribution to lessen the plight of those who had not shared equally the blessings of freedom. But as the wrongs were gradually redressed and barriers broken down, more and more people began questioning whether big government could guarantee economic abundance. It's one thing to ensure everyone's right to buy a ticket on the train—and that government must do. But that ticket isn't worth much if the train then can't leave the station.

Government has an essential role to protect those in need. But it's self-defeating to keep cutting smaller and smaller slices of pie from an ever shrinking pie. It is time now for all of us together to make a bigger pie for all our citizens and everyone having a bigger slice, and that's what we're determined to do.

Howard University, under Dr. Cheek's strong leadership, not only understands this need for a new direction, it has laid out a parallel mission of its own. It's called "The New Direction Fund," and its goal is to raise $100 million in the private sector within the next 5 to 7 years. The funds will go for endowed shares and distinguished professorships, increased student aid and scholarships, research, library resources, and other capital projects not funded by the Federal Government.

Howard University seeks to excel, to be the best. There are so many potential areas for growth and development. I spoke a moment ago of Nancy's visit to the hospital center, and I can tell you she was impressed with what she saw being done there in pediatrics and other areas.

Some people see Howard fulfilling a unique role. They see this university as an ideal orientation center for citizens and leaders of Third World nations coming here to learn about democratic institutions and our enterprise system.

And let me say a word, if I could here, about my first real attention to this university. I was Governor of California. And this has to do with the traditional function of any educational institution. It was back in those riotous days when no one was bragging about only living a stone's throw from the campus—[*laughter*]—when the buildings were being burned down, rioting was the order of the day. And then the surveys began to come in that were taken on campuses of very distinguished, prestigious universities in our country. And the huge proportion of the students—and it must have been disturbing to everyone in that generation gap period, anyone of another generation, to read of the huge numbers of students that denied there was anything good in America, that denied there was anything worth defending in America, and who pledged that they would not, if called upon, defend this country.

And then the surveyors got to Howard University. And suddenly there was great disappointment for those who had cheered the results on other campuses, but great joy for a lot of us on the shady side of the generation gap, because on this university campus the overwhelming majority said, yes, this is a country to believe in; yes, there are opportunities that we look forward to; and, yes, if need be, we would fight and die for this country because it's ours.

Each of you, I know, shares my belief in the principles of the free market—personal initiative, competition, responsibility, reward, and stewardship. Your presence here and your generosity demonstrate how willing you are to live up to your beliefs. We can't thank you enough for that.

And let's remember that we're working as partners, the public and private sector together. Our administration, I like to think, is also doing its part. On September 15, 1981, I directed Federal agencies to increase the ability of historically black colleges and universities to participate in federally sponsored programs. We've made significant progress.

Today, I'm pleased to announce the award of 10 grants from the Urban Mass Transportation Administration for almost $800,000 to black institutions for important research projects. Two of these grants, for a total of $142,000, are being awarded to Howard University. This university also received a grant from the urban transit agency to conduct an extended seminar for 15 professors from black institutions to prepare them to undertake research projects on transportation problems.

Well, I think now I've taken enough of your time. I want to thank, again, Dr. Cheek and all of you. And let me just say I hope we can meet again and again in furtherance of this very worthy cause.

So, thank you all, thank you for being here, and God bless you.

Note: The President spoke at 6:21 p.m. in the Blackburn Center at the university. Dr. James E. Cheek is president of the university.

Proclamation 4943—Amelia Earhart Day, 1982

May 20, 1982

By the President of the United States of America

A Proclamation

On May 20, 1932, Amelia Earhart set out from Harbour Grace, Newfoundland, to conquer the airlanes across the Atlantic Ocean. Fifteen hours later, she landed safely in Ireland to become the first woman to pilot an airplane across the Atlantic.

Pioneer aviatrix, adventurer, journalist, and nurse, Amelia Earhart captured the hearts of the American people with her daring exploits. She encouraged the development of commercial aviation, then a fledgling industry, and paved the way for women to enter the field of aviation. She set many speed and altitude records in airplanes and autogiros, the forerunner to the helicopter, and was the first woman to be awarded the Distingushed Flying Cross.

In June 1937, Amelia Earhart attempted the first round-the-world flight near the equator with her co-pilot, Frederick J. Noonan, in a twin-engined Lockheed Electra. On July 2, during their flight from New Guinea to Howland Island in the Central

Pacific, trouble developed aboard the aircraft. Radio contact was lost, and no trace of either the plane or its crew was ever found.

Recognizing the great accomplishments of Amelia Earhart, the Congress has by joint resolution (H.J. Res. 412) called upon the President to designate May 20, 1982, as "Amelia Earhart Day" as a tribute to the most daring and celebrated of the pioneer women aviators.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim May 20, 1982, as Amelia Earhart Day.

I call upon Federal, State, and local government agencies and the people of the United States to observe such day with appropriate ceremonies and activities.

In Witness Whereof, I have hereunto set my hand this twentieth day of May, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 10:33 a.m., May 21, 1982*]

Nomination of Steffen W. Graae To Be an Associate Judge of the Superior Court of the District of Columbia

May 21, 1982

The President has nominated Steffen W. Graae to be an Associate Judge of the Superior Court of the District of Columbia.

Mr. Graae is engaged in the private practice of law with the firm of Mirel & Graae, P.C. He has held a number of government positions, including International Relations Officer, Africa Bureau, Agency for International Development; assistant to Acting Director, Office of Economic Opportunity; consultant to National Commission on the Causes and Prevention of Violence; and law clerk to Judge John G. Penn. Mr. Graae has served as an adjunct professor of law at Georgetown University, and he is the author of "District of Columbia Statutory and Case Law Annotated to the Federal Rules of Evidence."

He received a B.A. from Yale in 1962 and an M.A. from Oxford University in 1964. His J.D. degree was awarded by Georgetown University Law Center in 1973.

Mr. Graae was born in Copenhagen, Denmark, on September 25, 1940. He resides in the District of Columbia with his wife, Cynthia Norris Graae, and daughter, Jessica.

Nomination of George W. Mitchell To Be an Associate Judge of the Superior Court of the District of Columbia

May 21, 1982

The President has nominated George W. Mitchell to be an Associate Judge of the Superior Court of the District of Columbia.

Mr. Mitchell has been engaged in the private practice of law in the District of Columbia since 1962. From 1960 to 1962, he served in the Solicitor's Office, U.S. Department of Labor.

Mr. Mitchell attended Howard University in Washington, D.C., receiving a B.A. in 1957 and an LL.B. in 1960. Mr. Mitchell has served as chairman of the Bar's disciplinary committee, president of the Howard Law Alumni Association of Washington, member of the District of Columbia Advisory Commission on Civil Rights, appeals agent for the Selective Service System, and member of the board of directors of the Neighborhood Legal Services Project.

Mr. Mitchell was born in Roanoke, Ala., on May 8, 1935. He resides in Washington, D.C., with his wife, Gwendoline Stephenson Mitchell, his daughter, Renee, and son, George W. Mitchell, Jr.

Statement by Deputy Press Secretary Speakes on the Dispute Between the United Kingdom and Argentina in the Falkland Islands

May 21, 1982

The President and this administration have been intensely involved in the search for peace since the beginning of the dispute in the South Atlantic. Our deep concern over the threat of conflict has been evident to the international community. We have made bilateral and multilateral efforts in support of that effort. We continue today to be in contact with those at the United Nations and elsewhere who are also striving for a peaceful solution under U.N. Security Council Resolution 502 and the U.N. Charter.

Let me emphasize, there will be no involvement whatsoever of U.S. military personnel in the conflict in the South Atlantic. As the President and Secretary Haig have said, we will meet our commitments to Great Britain. Any responses made to requests for assistance will be carefully evaluated on a case-by-case basis. We will, however, not address reports of specific requests for assistance or how we respond.

Our position throughout this dispute has been to do whatever we can to advance the chances for a peaceful resolution, and that remains our stance. Every step, every action of the President and the United States Government shall be taken with one thought in mind—a peaceful solution. We stand ready to assist in any way we can.

Note: Deputy Press Secretary Larry M. Speakes read the statement at his daily press briefing for reporters in the Briefing Room at the White House.

Appointment of Nine Members of the National Advisory Committee for Juvenile Justice and Delinquency Prevention, and Designation of Chairman

May 21, 1982

The President today announced his intention to appoint the following individuals to be members of the National Advisory Committee for Juvenile Justice and Delinquency Prevention. He also announced his intention to designate Charles B. (Bud) Wilkinson to be Chairman.

Charles B. (Bud) Wilkinson is currently chairman of the board of the Public Employees Benefit Services Corp. in St. Louis, Mo., where he resides. He was born March 23, 1916. He will serve for a term expiring January 17, 1985. This is a new position.

Joseph G. Bertroche is the senior member of the law firm of Bertroche, Cunningham, Mageet and Abendroth in Des Moines, Iowa. He resides in Indianola, Iowa, and was born May 8, 1934. He will serve for a term expiring January 17, 1985, and will succeed Betsey Hunt.

James C. Dobson, Jr., is associate clinical professor of pediatrics at the University of Southern California School of Medicine. He is a psychologist, author, and radio host. He is president of Focus on the Family, Inc. He resides in Arcadia, Calif., and was born March 21, 1936. He will serve for a term expiring January 17, 1983, and succeeds Robert D. Glaser.

William L. Hart is police chief in Detroit, Mich. He is chairman of the board of the Criminal

Justice Institute, Southeastern Michigan, and on the board of directors of the Criminal Law Revision Committee. He resides in Detroit and was born January 17, 1924. He will serve for a term expiring January 17, 1983, and succeeds C. Joseph Anderson.

Edward V. Healey, Jr., is associate justice and administrative judge for the Family Court of Rhode Island. He resides in Cranston, R.I., and was born November 23, 1922. He will serve for a term expiring January 17, 1985, and succeeds J. George Silcott.

John R. Milligan is currently judge for the Fifth District Court of Appeals in Canton, Ohio. He is a trustee of the National Council of Juvenile and Family Court Judges. He resides in Canton and was born March 9, 1928. He will serve for a term expiring January 17, 1985. This is a new position.

Richard D. Parsons is a member and the managing partner of the law firm of Patterson, Belknap, Webb and Tyler in New York City. He resides in Briarcliff Manor, N.Y., and was born March 4, 1948. He will serve for a term expiring January 17, 1985. This is a new position.

Stephen E. Wittman is in the private practice of law and is assistant director of programs for the Center for Criminal Justice Policy and Management at the University of San Diego School of Law. He resides in La Jolla, Calif., and was born February 14, 1947. He will serve for a term expiring January 17, 1983, and succeeds Christopher J. Magnus.

Charles Wright is serving as judge for the Court of Common Pleas of Philadelphia County in Philadelphia, Pa. He resides in Philadelphia and was born October 3, 1918. He will serve for a term expiring January 17, 1983, and succeeds Sonia E. Melara.

Reappointment of Jerome H. Holland as a Governor of the American National Red Cross, and Designation as Principal Officer

May 21, 1982

The President today announced the reappointment of Jerome H. Holland as a Governor of the American National Red Cross for a term of 3 years and also the designation of Mr. Holland to serve as the Principal Officer.

He was appointed chairman of the American Red Cross in March 1979. Dr. Holland was a member of the Red Cross board of governors from February 1964 until March 1970, when he was appointed the United States Ambassador to Sweden. He was elected to the board as a member-at-large in 1973 upon his return to the United States. He was president of Hampton Institute, Hampton, Va., in 1960–1970 and was president of Delaware State College, Dover, Del., in 1953–1960. He has become a business consultant and a professional public director of corporations. He serves on the board of directors of such corporations as the American Telephone and Telegraph Company, the Continental Insurance Companies, General Foods Corp., and Union Carbide Corp. He is vice chairman of the National Conference of Christians and Jews; vice chairman, New York Advisory Board of the Salvation Army; and a trustee of the Foreign Policy Association.

Dr. Holland received B.S. and M.S. degrees from Cornell University and earned his Ph. D. degree from the University of Pennsylvania. He is married, has four children, and resides in Bronxville, N.Y.

Executive Order 12363—The Foreign Service of the United States

May 21, 1982

By the authority vested in me as President by the Constitution and laws of the United States of America, including the Foreign Service Act of 1980 (94 Stat. 2071, 22 U.S.C. 3801 *et seq.*), Section 202 of the Revised Statutes (22 U.S.C. 2656), and Section 301 of Title 3 of the United States Code, and in order to further provide for the administration of the Foreign Service of the United States, it is hereby ordered as follows:

Section 1. Executive Order No. 12293 of February 23, 1981 (46 FR 13969), is amended by adding the following new sections:

"Sec. 9. (a) Pursuant to Section 210 of the Act there is established in the Department of State the Board of the Foreign Service (22 U.S.C. 3930).

"(b) The Board shall be composed of the designated number of representatives of the heads of the following agencies:

"(1) Department of State, four members, at least three of whom must be career members of the Senior Foreign Service;

"(2) International Communication Agency, two members, one of whom must be a career member of the Senior Foreign Service;

"(3) United States International Development Cooperation Agency, two members, one of whom must be a career member of the Senior Foreign Service;

"(4) Department of Agriculture, two members, one of whom must be a career member of the Senior Foreign Service;

"(5) Department of Commerce, two members, one of whom must be a career member of the Senior Foreign Service;

"(6) Department of Labor, one member;

"(7) Office of Personnel Management, one member;

"(8) Office of Management and Budget, one member; and,

"(9) Equal Employment Opportunity Commission, one member;

"(c) The membership of the Board shall be selected from among officials who are knowledgeable in matters concerning the management of the Foreign Service. Except for the career members of the Senior Foreign Service from the Department of Agriculture, the Department of Commerce, the International Communication Agency, and the United States International Development Cooperation Agency, the members of the Board shall be selected from among those who have the rank of Assistant Secretary or higher or a position of comparable responsibility.

"(d) The Secretary of State may from time to time request the heads of other agencies to designate representatives to participate in the functions of the Board on a regular or occasional basis.

"(e) The Secretary of State shall designate a Chairman of the Board from among those members who are career members of the Senior Foreign Service.

"(f) The Secretary of State shall provide all necessary administrative services and facilities for the Board.

"Sec. 10. Pursuant to Section 202(a)(2)(B) and (a)(3)(B) of the Act (22 U.S.C. 3922(a)(2)(B), (a)(3)(B)), it is hereby determined to be necessary, in order to enable the Department of Agriculture and the Department of Commerce to carry out functions which require service abroad, for the respective Secretaries, in consultation with the Office of Personnel Management and the Office of Management and Budget, to be able to utilize the Foreign Service personnel system with respect to personnel of the following:

"(a) The Animal and Plant Health Inspection Service of the Department of Agriculture, not to exceed 125 positions, without the prior approval of the Director of the Office of Personnel Management;

"(b) The United States Travel and Tourism Administration, and the International Trade Administration of the Department of Commerce, not to exceed 30 positions without the prior approval of the Director of the Office of Personnel Management, and providing that assignments to such positions be administered consistent with policies of the Foreign Commercial Service established under Executive Order No. 12188.".

Sec. 2. In Section 8 of Executive Order No. 12293, the phrase "This Order" is amended to read "The first seven Sections of this Order".

Sec. 3. Executive Order No. 11264 of December 31, 1965, as amended, is revoked.

RONALD REAGAN

The White House,
May 21, 1982.

[*Filed with the Office of the Federal Register, 4:40 p.m., May 21, 1982*]

Radio Address to the Nation on the Federal Budget
May 22, 1982

My fellow Americans:

Let's talk about the budget, the one subject that most directly affects your pocketbooks.

Now, before you say, "This is where I came in," there has been a new development. We're making some progress toward a budget agreement that will hold down your taxes and get government spending under control. This is the one sure way we can keep inflation coming down, bring interest rates down as well as deficit spending and, most important, get our factories working again.

Washington is a town that loves to spend money—your money. And if that isn't enough, they'll borrow—a trillion dollars so far.

As the French economist Bastiat said a long time ago, public funds seemingly belong to no one; the temptation to bestow them on someone is irresistible.

I've said before, and let me say again, many of the spending proposals are motivated by sincere compassion, compassion we all feel. But pretty soon, if we aren't careful, we find ourselves inventing miracle cures for which there are no known diseases. That's what led to the situation in 1980, when Federal spending was increasing by 17 percent and the inflation rate was 12.4 percent. Interest rates reached a 100-year high of 21½ percent.

Obviously, something had to be done. To continue down the road we were on would have meant disaster. So, when we got here in January of 1981, we changed course.

The 17 percent annual increase in government spending was cut almost in half. That 12.4 percent inflation rate has, for the last 6 months, been 2.8 percent. For the last 3 months, it has only been eight-tenths of 1 percent. Interest rates have come down some, but not enough yet to give the economy the boost it needs.

As you know, we put in place tax incentives to help industry retool and modernize. And we've provided tax reductions for individuals so families could keep more of the money they earn. It's the first broad-based program to help all American taxpayers since President Kennedy's tax cut nearly 20 years ago.

The average family will see its personal withholding rate cut by 20 percent in the next 14 months. There'll be a 10-percent cut July 1st and another in July of 1983.

Even though we've only had the first installment, a 5-percent cut last October, we're seeing some signs of the incentives that a tax cut brings. Personal spending is up, and Americans are saving at a higher rate. Saving is one of the best ways people can help themselves and our country. As the pool of savings expands, interest rates come down and billions of dollars are made available for new investments, mortgages, and jobs.

Yesterday, the United States Senate took another step to get spending under control. It passed a budget resolution that will reduce projected deficits $358 billion over the next 3 years. I'll be honest with you: I would have liked more reductions in spending, but at least it's another step in the right direction—the direction we started to go last year.

In contrast to this responsible action by the Senate leadership, the leadership of the House of Representatives is trying to spend more and to eliminate $150 billion or so of your tax cut. Their idea for reducing the deficit, for example, is to eliminate the third year of the tax cut. They have another idea which somehow doesn't go with their claim of compassion. Once that final income tax cut is in place, we have one further step to go. We permanently index the income tax brackets against inflation. This, too, the spenders would take from you under the phony claim that it only benefits the rich.

During these recent years of inflation, many of you have received cost-of-living pay increases. These don't make you better off. They just keep you even—even, that is, till income tax time. Then you find those added dollars have pushed you into a higher tax bracket where you give the Government a greater percentage of your earnings and end up with less purchasing power, not more.

Indexing prevents this from happening. Now, how can indexing hurt the workers and benefit the rich? It can't. And those who say it can are talking through their hats as usual. The rich and the high income earners are already in the top tax bracket. They also don't get cost-of-living increases. It's the wage earner who needs and, in our program, will get indexing.

Incidentally, to be fair, I must say those same individuals who would take indexing away from you also do want to cut spending—defense spending, and really only defense spending. Eliminating about 73 percent of our planned increase in the defense budget is their goal. Fortunately, some responsible Republicans and Democrats in the House have proposed a better plan, somewhat similar to the one passed by the Senate. It will preserve your tax cuts, reduce spending, and keep America strong. They are calling their plan the bipartisan recovery budget, and it will be voted on the first of this coming week.

If you want interest rates to come down and the economy to get going, it wouldn't hurt if you told your Congressman to vote for the bipartisan recovery budget. But do so right away.

Until next week, thanks for listening, and God bless you.

Note: The President spoke at 12:06 p.m. from the Oval Office at the White House.

Remarks on Signing a Message to the Congress Transmitting Proposed Federal Energy Reorganization Legislation

May 24, 1982

Good morning, and welcome. As you know, our administration has repeatedly expressed the intention to abolish the Department of Energy. Our goal was and remains increased energy independence for America. Through constant overregulation of energy producers and industries in the past, the Department of Energy shackled our drive to increase domestic production. Only as the heavy hand of government and government regulations has been lifted have our energy producers and consumers begun to reduce our dependence on imported oil.

The legislation that I'm sending to the Hill today will not dismantle the structure of government that we need to fulfill our energy goals. I am merging the critical defense, energy emergency, and research functions into the Department of Commerce. It will simply change the role of government from controlling the activities of energy industries to complementing them.

This legislation strengthens our commitment to a civilian-controlled nuclear weapons research and production program. It will also reinforce our commitment to a strong basic research program.

So, I'm pleased to be able to be here today with our committee chairmen from the Hill—Senator Bill Roth, Jim McClure, John Tower, and Bob Packwood—and Cabinet Secretaries Mac Baldrige and Jim Edwards, who all gave their time and their ideas and their effort to reach an agreement on this. And I'm hopeful that with their continued cooperation and skilled guidance, this legislation will move rapidly through the Congress.

[*At this point, the President signed the message to the Congress.*]

I think you should all know that the Secretary of Energy came here to do just what we're on our way to doing now. So, we can say just as soon as this is completed on the Hill—he can say, "mission accomplished."

Note: The President spoke at 11:52 a.m. in the Roosevelt Room at the White House.

Message to the Congress Transmitting Proposed Federal Energy Reorganization Legislation

May 24, 1982

To the Congress of the United States:

On December 17, I announced my intention to propose a reorganization of Federal energy activities. The legislation I am submitting today reflects this Administration's commitment to the principle that the best way to meet the Nation's energy needs is to increase reliance on market decisions.

By transferring the current responsibilities of the Department of Energy to more appropriate agencies we can preserve and, in important ways, strengthen essential government-related energy activities. The proposed realignment of energy functions will more accurately reflect the Federal Government's essential role, which is:

- supporting long-term, high-risk, potentially high payoff basic research on energy technologies while relying, whenever possible, on the private sector to bring new technologies to the marketplace;
- protecting the public interest by assuring that the economy is protected against energy supply disruptions through maintenance of a strategic petroleum reserve contingency plan;
- maintaining a set of policies in the energy sector consistent with overall economic and foreign policy;
- performing balanced and effective management of our energy resources and administering utility regulation required by law;
- supporting national defense needs through civilian-controlled research, design, production, and testing in the field of nuclear weapons.

When the Department of Energy was formed, some of its functions, such as collection of energy information, selected international nuclear regulatory responsibilities, and energy preparedness planning, technology development, and energy-related business analysis paralleled activities conducted by the Department of Commerce for non-energy sectors of the economy. Combining these activities of the Departments of Commerce and Energy recognizes that the development of an assured energy supply is one of the most important domestic and international business activities in the United States today. Integrating these responsibilities in the Commerce Department will strengthen its ability to develop policy, evaluate trends and requirements, and be of service to industry in meeting our energy requirements.

The nuclear energy and defense-related nuclear programs of DOE will also be transferred to Commerce. They will be kept intact in Commerce and closely associated with all energy research and development activities. The Secretaries of Commerce and Defense are working together to make sure that the revised structure will continue to meet the requirements of national security and strengthen the relationship where possible.

The reorganization I have proposed will preserve the valuable and time tested research and development work environment which has been so instrumental in achieving the objectives of long-range energy development. For example, integrated and comprehensive use of scarce technological management resources and multi-purpose national laboratories will continue with little or no disruption to key programs.

The other transfers are no less important to the sound management of the Federal Government's energy responsibilities.

- The transfer to the Department of the Interior of programs closely related to energy resource management such as the Power Marketing Administrations and coal mining research and development will consolidate energy resource mangement in the Department responsible for stewardship, preservation, and development of much of the Nation's public domain natural resources.
- The transfer to the Department of Justice of residual enforcement responsibilities under the Emergency Petroleum Allocation Act appropriately reflects that agency's law

enforcement role and expertise in handling investigations and conducting litigation.

- The establishment of the Federal Energy Regulatory Commission as a separate and fully independent agency reflects Congressional intent for regulatory independence.

The Department of Energy was created at a time when serious problems were said to require government-designed solutions imposed by executive agencies especially created to deal with them. The results of this approach are clear. Ill-conceived regulations have impeded development of new energy sources, discouraged conservation, and distorted distribution. Subsidy programs created artificial demand for energy technologies that could not stand the market test. The drain on Federal resources grew almost beyond control.

I urge the Congress to enact promptly the Federal Energy Reorganization Act of 1982. Its enactment will reverse the recent trend of establishing huge, unwieldly governmental institutions to address problems of the sort which can best be met by permitting America's citizens and businesses to act wisely and responsibly in their own economic self interest.

RONALD REAGAN

The White House,
May 24, 1982.

Remarks and a Question-and-Answer Session With Reporters on Domestic and Foreign Policy Issues

May 24, 1982

The President. Well, I just remarked from outside the door, "You're all well-lighted, and we're on the right set." [1]

Federal Budget

Next week, I'll be leaving for important summit meetings in Europe with America's allies and trading partners. One major concern we know they'll raise is the high level of interest rates in the United States. We share their concern.

The key to bringing interest rates down and keeping them down is a commitment by this government to get spending under control once and for all. It's most important that I be able to communicate this commitment to our allies. I want to tell them that the United States is not just talking about reducing deficits, we're doing something about them.

Last week, the Senate took an important step in that direction. It passed a budget resolution with deficit reduction measures totaling $358 billion. As I said over the weekend, the resolution isn't perfect. It won't lead us into the promised land. But the next key thing is it'll take us further down the road that we began last year.

Now we look to the House of Representatives for courage and leadership as we enter a crucial week of budget deliberations. Many variations will be discussed, but the final vote in the House may boil down to two main alternatives—the bipartisan recovery budget, or the coalition budget proposed by the liberal Democratic leadership.

There are three key advantages to the bipartisan plan. It keeps taxes down and does not break faith with American families by seeking new tax increases that would destroy the recovery. It makes savings on defense while still preserving our security so we can maintain peace through strength. And it contains a real determination to begin holding down spending on the so-called uncontrollables.

Over the weekend, I made several calls to Congressmen. I'll be making more in the next few days, and I'm encouraged by my conversations. I believe the bipartisan recovery budget has a fighting chance to win if responsible Members of the House will rally to support it.

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[1] *The President was referring to the fact that the session with reporters was being filmed.*

Secretary Donovan and Attorney General Smith

Q. Mr. President, I'd like to ask a question about some problems that have grown up about two Cabinet members. One, what is your reaction to the stories about the large tax writeoffs that William French Smith has enjoyed? Do you think those stories are embarrassing to the administration? And, secondly, regarding Secretary Donovan, are you concerned that the problems that have grown up between him and the Republican members on the Senate Labor Committee will mean permanent damage to relations to the Hill if he remains in office?

The President. Well, it's very difficult for me, taking the last one first, to comment on that because it is now in the hands of a special prosecutor, as Secretary Donovan himself requested some time ago. And so there isn't much that I can say in commenting on that. But nothing I've heard has reduced my confidence in Secretary Donovan.

With regard to the Attorney General's problems there, I don't think the point's been made by anyone that the so-called tax shelters are things passed by Congress to encourage investment or speculation in certain undertakings, and a tax shelter is only a shelter if you lose your investment. You actually enter it with the hope or the prospect that you'll earn additional money from that investment, in which case you'd owe additional tax. And the fact is that, like so many others that have gone into government service, as I understand it, this was done by someone that the Attorney General trusts to handle whatever investments he might have.

U.K.-Argentine Conflict

Q. Mr. President, now that the British troops are on the ground in the Falklands in numbers by the thousands, what should the British objective be at this point?

The President. Well, I think the objective—I can't speak for military strategy or what they might have in mind with that, but I think the objective still is to bring this to a point where it can be resolved peacefully and without any further loss of life. And I'm sure that this is probably what is going to guide their strategy and what they're doing.

Q. But won't that affect their military strategy on the ground?

The President. Well, as I say, I think that this must be involved in whatever strategy is chosen by them, and I don't know what that strategy is.

Q. How much military support is the United States prepared to give Great Britain if we're called on?

The President. Well, we're not thinking of military support in the sense of troops or anything involved in the fighting. There are certain agreements that we have. There are no new agreements that have come out of this at all. There are certain bilateral agreements and our relationship in the North Atlantic Alliance that we fulfill regardless of what's going on there. But nothing new has come out of this.

Summit Meeting With President Brezhnev

Q. Mr. President, what did you hear from President Brezhnev? Does his letter increase the chances of a summit? Do you have anything in that connection? Where are we going now?

The President. Well, it simply was a letter that expressed his willingness to meet, and that's about all that I can comment on. I was delighted to get that, but I can't comment, then, on further details in a communication.

Q. Well, do you think there's a chance there'll be a summit this year?

The President. There was no reference as to timing other than the general terms that we both have used, that as soon as we could, we'd do it. And we're ready.

Strategic Arms Reduction Talks

Q. Mr. President, to follow up on Helen's [Helen Thomas, United Press International] question, you used to speak of dealing with the Soviets in terms of linkage. And they still remain in Afghanistan. Of course they're present in Poland, and you've called that an outrage. Why now this emphasis on START talks? What have the Soviets done to make you want to deal with them?

The President. Well, the START talks are based on reducing a danger to the whole world, to both sides. And I talked for months during the campaign about this, about trying to arrive not at the so-called limitation talks, but at actual and outright reductions of weapons. Now, this does not outlaw discussing these other things that are causing tensions between us and between them and the Western World at those talks. But I don't think that those are things that you headline and blatantly advertise that you're going to go there and demand this or that, because I think when you do that you foreclose the possibility of doing any of those things.

President's European Trip

Q. Mr. President, on the Falklands, sir. You're going to Europe, as you say, for this meeting with various European allied leaders. Is it possible that with the Falklands heating up you might be considering some changes in your plans to perhaps curtail or eliminate your visit to England?

The President. I haven't seen anything as yet that would suggest that. Obviously, if something unforeseen happens, we would have to consider whether we should go or not. But, no, I see no reason not to go.

Federal Budget

Q. Along the lines of the summit, you've said you want to show the European allies, Mr. President, some direction on interest rates. Five former Cabinet Secretaries, Treasury Secretaries, and a former Commerce Secretary, from two parties, several administrations, have suggested much deeper defense cuts and much bigger tax increases than you have been willing to embrace. Don't you think that this administration has not shown a big enough commitment to really reduce the deficit in some of these key areas?

The President. I have only had a chance to read one wire story that came off the line about the interviews with those various former Secretaries. I'm gratified by one thing, that they support, in general, the approach that we have taken, that it must be based on reduced cost of government, reduced spending. And we may differ on some details or amounts or percentages with them. In general, we are in that agreement.

But let me point out that what is being discussed, even with the bill that we would support in the House today and the measure that the Senate managed to pass—all of those are much lower in total spending cuts than we had advocated in February.

Q. But, sir, just to follow up, what they are saying is that by putting certain things off limits—social security, some big defense cuts and big tax increases, such as a windfall profits tax on natural gas or other oil and gas tax increases—that you have eliminated the real possibility of doing something about interest rates.

The President. Well, I don't think they quite understand all that's been going on. With all due respect to those gentlemen, they're not in a position now where they have access, for example, in discussing defense budgets, to all the information that is necessary to make the decisions.

We have agreed to cuts providing they will not have us retreat from what we feel is the minimum necessity for restoring our national security. And as I say, they don't have that information. Maybe if they did, they would see our point and what it is we're asking for.

Q. Mr. President, some Members of Congress say that there are so many divisions in the House over the budget that there is a danger that the House would wind up in a deadlock and not pass any budget at all. In view of the fact that Speaker O'Neill and the Democrats have the majority there, who would be to blame if there was any effort by the House not to have any budget at all at this time?

The President. I think you've more or less answered your own question yourself as to who would be to blame. [*Laughter*] I just have to believe that there is more responsibility in the House than that. And I think that we will have—and I do believe that the bipartisan bill, which preserves or calls for 87 percent of the—wait a minute; no—it preserves 87 percent of the tax cuts that we wanted for our people, and it gets 75 percent of what we asked for in February in budget cuts. And so we can support that, yes.

Summit Meeting With President Brezhnev

Q. There's been much on the summit. But isn't it a fact, Mr. President, as of now there is little prospect that there will be a summit?

The President. Well, I wouldn't feel that way. I've never had any reading from the communication from President Brezhnev that he was not looking forward—and he publicly has made statements to that effect, also.

U.S.-Soviet Relations

Q. Going back to the Soviets question. On Friday, your administration released a new national security policy that many interpreted as being kind of a return to the cold war. Yet over the weekend, there were reports there may be increased grain sales to the Soviets. How would you today describe your administration's relationship with the Soviet Union?

The President. I think it's a very realistic relationship. We know that there is an adversary relationship there that has been brought about by the Soviets policy of expansionism, and we're not so naive as to ignore that in any dealings that we have. And yet, at the same time, we ourselves are proposing such things as arms reductions in trying to improve the chances for peace in the world, or reduce the possibility of war.

Q. Is it warming or cooling—the relationship?

The President. I wouldn't know whether I could apply either one of those words to it. It is just that we are willing, realistically, to sit down with the Soviet Union and try to eliminate some of the friction points that are there.

But basically, the primary problem today is reducing the store of nuclear arms that threaten the peace of mind, certainly, of all the people of the world and that do pose a threat to all of us physically.

Medicare

Q. Mr. President, Speaker O'Neill said today that you have broken a promise that you made before the joint session of Congress on February 18, 1981. You said, "Medicare will not be cut." Yet the bipartisan budget, which you support, calls for cuts in Medicare of some $23 billion over 3 years—$5 billion in '83 alone. How does that square, and how do you respond to the Speaker that you've broken your promise?

Deputy Press Secretary Speakes. This is the last question, please.

The President. Larry says this is the last question. [*Addressing Mr. Speakes:*] Where were you a minute ago? [*Laughter*]

I could answer that in about three phases and very briefly. And the first one is, how would I respond to the Speaker about that? I think it is very obvious after last year and this year that the Speaker is obsessed with the idea of trying to create a social security issue for the coming election. And I think that's pretty irresponsible with a program now that is actuarially out of balance, that, as we pointed out a year ago, is going to be unable to get through the 1983 year unless something is done about that program.

The proposed cuts in the bipartisan plan, in Medicare, are almost entirely aimed at limitations on the providers of health care, not a reduction of services for the beneficiaries, the recipients of social security. Those are the two.

The third one is this, even this talk in the budget, in a way I find—I hope that they don't waste too much time debating it, because with the Speaker's cooperation we have a bipartisan task force that has been at work for months and is to report in December with a plan for solving both the short- and the long-range problems of social security. And the only thing that I have said in my own mind with regard to that plan and that I have said to those representatives that I appointed to the task force is that it must not undercut or pull the rug out from under the people who are presently dependent on social security. They must be assured that they are going to continue to get their benefits.

But there are any number of ways that that task force can go, based on the future of social security for people presently paying into the program who are not yet retired that can meet the financial problems. Indeed, the plan that we posed last year could have done that and even reduced the two built-in increases in payroll tax that are still hanging over the workers of America today.

So, to make an issue out of this when this task force is—we're awaiting its report—and he has appointed his own representatives to that task force, too—I think is just, again, sheer political demagoguery.

Mr. Speakes. Thank you, Mr. President.

Q. Mr. President——

The President. He gets mad at me if I answer any more. I can't.

Q. You're the boss. [*Laughter*]

Q. Yes, sir, I want to tell you something. I just got back from the Hill. [*Laughter*] Mr. President, there is a mild revolt against your administration going on by communications today with Capitol Hill. People all over the country are calling in and saying that they cannot stand the cuts in Medicare and Medicaid because—I realize you've cut off the providers, but the providers are the hospitals, and the hospitals, they say, 75 percent of them will go broke and that they will then have to ration what people they take in and which ones they cut out and that the old people will not be admitted and, therefore, the old people will die.

Now, what's your answer to that? You said you were a sweet man and you didn't cut back on old or needy people.

The President. I can't answer a question. He's just shut me off. But I would say that all of you have the means to reduce the fears of the social security recipients, fears that have been aroused by the demagoguery from those guys on the Hill.

Note: The President spoke at 1:12 p.m. in the Briefing Room at the White House.

Remarks at a White House Meeting of Representatives and Supporters of International Youth Exchange Programs

May 24, 1982

Well, I'm delighted that so many of you were able to be here today. And welcome to the White House.

Behind the headlines of today, steadily chipping away at the obstacles to peace, is another and less sensational dimension to foreign affairs. It is the network of human relations between our country and other nations around the globe. This network is more than government-to-government relations, tourism, or commerce. It also has been built on the experiences of young people who've lived with families and attended schools or universities in other countries.

I am convinced that one of the best ways to develop more accurate perspectives on other nations and on ourselves is for more Americans to join, for a time, a family and a community in another land. And we can't hope that other nations will appreciate our country unless more of their future leaders have had the same chance to feel the warmth of the American family, the vitality of an American community, the diversity of our educational system.

Now, sometimes I must admit that last part there has given me some problems. When I was Governor, I used to welcome every year those students who were in California from other lands. And I always had one question. I would ask them, "Tell me, now that you have been here and going to our school, is it easier or harder than school in your own country?" And then I'd wait 2 or 3 minutes for the laughter to stop, which answered the question. [*Laughter*] They found it somewhat easier. But then, maybe we warmed their hearts a little bit with that, too.

But there's a flickering spark in us all which, if struck at just the right age, I think, can light the rest of our lives, elevating our ideals, deepening our tolerance, and sharpening our appetite for knowledge about the rest of the world. Education and cultural exchanges, especially among our young, provide a perfect opportunity for this precious spark to grow, making us more sensitive and wiser international citizens through our careers.

Twenty-two years ago, President Eisenhower, father of the People-to-People program, as you know, said that "The beginning point of all cooperation between individuals, between groups, within a single society, or between nations is genuine, human understanding." Well, never have we needed this vital ingredient to peace more than in today's world.

Since World War II, the United States has developed many excellent programs for students, scholars, youth, farm, and labor groups. They depend on the cooperation of thousands of American families and hundreds of schools, universities, and volunteer community organizations. And many of these are represented here today. Still, the total number of young people sponsored by our government is relatively small, especially when compared to sponsored programs of the Soviet Union or even of our allies, West Germany and France.

Early next month I'll go to Versailles to meet with our six major allies. Among both their young people and ours, there's perhaps less appreciation of the values we share than there was 20 or 30 years ago. The successor generations didn't experience our remarkable postwar cooperation and are less familiar with the ideals which motivated America then and which motivate us now. I believe that today we have a great opportunity to form new bonds through expanded exchanges among our youth, from all sections of our society. If we're to succeed, if we're to build human bridges across the seas and into the future as an investment for peace, we'll need more private support and cooperation than ever before.

And that, ladies and gentlemen, is why I invited you here today—to forge with me a new kind of cooperation between government and the private sector, between profit and nonprofit organizations, between families across our land and those abroad in an exciting exchange of our young people.

Based on an expanded American program, I plan to discuss with our allies at Versailles greater emphasis on these programs by all our countries. An ancient Chinese proverb says, "If you tell a man, he will forget. If you show a man, he may remember. But if you involve him, he will understand." I hope we can make a beginning by involving all of you and wonderful families like the Frys and the Gozays here, who are with us today, in a vast network providing home-stay experience and other support for thousands of young people from abroad over the years to come. To make it work, our corporations, foundations, and voluntary organizations across the land will need to take the lead.

I plan to form a Presidential committee to advise me and to help Charlie Wick, who is my personal representative for this effort, help them find ways to stimulate greater private involvement across the country. I hope that today's meeting will open a new chapter in our efforts to build the broadest possible base for peace. I look forward to hearing—or receiving a report from Charlie on the results of this meeting and the followup work. You have my strong support, my sincere best wishes in this new endeavor.

And now at a terrible risk—because I know that I'm getting a reputation for telling anecdotes—[*laughter*]—I'm going to tell one. I don't know why I just happened to think of this—here today and thinking of the young people in the exchange and what our young people could do for us. It goes back to just after World War II, and I was in England. And you think about these kids of ours being over there and the rest of the world being exposed to them.

I was out in the countryside on a weekend, and I wanted to see one of the fabulous—it was my first trip to England, right after the war, and I wanted to see one of the fabulous ancient pubs. And the driver that was driving us apologized when he stopped at one that was only 400 years old. [*Laughter*] He hadn't been able to find a really old one yet.

We went in, and it was a mom-and-pop operation and—you know, the old gentleman there at the bar, and a matronly woman, she came and took our order. And after hearing us for a few seconds, in our talking, she says, "You're Americans, aren't you?" And I allowed as how we were. And she said, "Oh, there were a lot of your chaps staged just down the road during the war." And she said, "They used to come in here, and they'd hold songfests." And she said, "They called me 'Mom,' and they called the old man there 'Pop.'" And she said, "It was Christmas Eve"—and by this time she's not looking at us anymore; she's kind of looking off into the distance, and her eyes are beginning to fill up. And she said, "It was Christmas Eve, and we were in here all alone." And she said, "The door opened, and in they came. And they had presents, Christmas presents for me and Pop." And then she said—by this time the tears were rolling a little bit—she said, "Big strappin' lads, they was, from a place called Ioway." [*Laughter*]

Well, right then I fell in love all over again with "those big strappin' lads from Ioway" and from wherever in America. And you think about them, over there. I think they'd do a lot more than a lot of public relations programs to correct false impressions about the United States.

So, again, thank you all for being here. And, Charlie, you tell me all about it. I have to leave.

Note: The President spoke at 1:45 p.m. in the East Room at the White House. Charles Z. Wick, Director of the International Communication Agency, also spoke at the meeting.

Nomination of 12 Members of the General Advisory Committee of the United States Arms Control and Disarmament Agency, and Designation of Acting Chairman

May 24, 1982

The President today announced his intention to nominate the following individuals to be members of the General Advisory Committee of the United States Arms Control and Disarmament Agency.

William Robert Graham would succeed McGeorge Bundy. Upon confirmation, the President intends to designate Dr. Graham to be Acting Chairman. He is currently serving as defense research analyst, R & D Associates, in Marina del Rey, Calif. He was consultant to the Office of the Secretary of Defense in 1970–1981. He resides in Mammoth Lakes, Calif., and was born June 15, 1937.

Colin Spencer Grey would succeed Bert Thomas Combs. He is serving as president of the National Institute for Public Policy, Virginia. He was director of national security studies at the Hudson Institute in New York. He resides in Briarcliff Manor, N.Y., and was born December 29, 1943.

Roland F. Herbst would succeed Lawrence Owen Cooper. Dr. Herbst has been with R & D Associates, Marina del Rey, Calif., since 1971 and is currently director of the nuclear effects division. He was Deputy Director, Defense Research and Engineering (Space and Strategic Systems), Office of the Secretary of Defense, in 1969–1971. He resides in Malibu, Calif., and was born October 8, 1926.

Francis P. Hoeber would succeed Paul Mead Doty. Since 1974 he has been president of Hoeber Corp. in Arlington, Va. He was with the Rand Corp. in 1968–1974 and the Stanford Research Institute in 1960–1968. He resides in Arlington, Va., and was born July 15, 1918.

Charles Burton Marshall would succeed Harry Arthur Huge. He is serving as consultant to System Planning Corp. in Arlington, Va. He was on the staff of the Washington Center of Foreign Policy Research, the Johns Hopkins School of Advanced International Studies in Washington, D.C., in 1959–1975. He resides in Arlington, Va., and was born March 25, 1908.

Jaime Oaxaca would succeed Joseph Lane Kirkland. He is vice president and assistant general manager, Northrup Corp., electro-mechanical division. He was vice president of missile programs and vice president and assistant general manager with the corporation. He resides in Ranchos Palos Verdes, Calif., and was born February 20, 1931.

Shirley N. Pettis would succeed Arthur B. Krim. She is a member of the board of directors of the Kemper Corp. She is a member of the board of trustees at the University of Redlands. In addition, she is vice president of the

Women's Research and Education Institute in Washington, D.C. She resides in Los Angeles, Calif., and was born July 12, 1924.

John P. Roche would succeed Wolfgang Kurt Hermann Panofsky. He is serving as academic dean and professor of civilization and foreign affairs at the Fletcher School of Law and Diplomacy, Tufts University. He was Consultant to the Vice President of the United States and the Department of State in 1964–1966 and Special Consultant to the President of the United States in 1966–1968.

Donald Rumsfeld would succeed Harold M. Agnew. He is currently president and chief executive officer at G. D. Searle and Co. in Skokie, Ill. He was Secretary of Defense in 1975–1976 and Assistant to the President in 1974–1975. He was United States Permanent Representative with the rank of Ambassador to NATO in 1973–1974. He resides in Wilmette, Ill., and was born July 9, 1932.

Harriett Fast Scott would succeed Jane Cahill Pfeiffer. She is an occasional lecturer at the Army War College, Air University, National War College, and the United States Military Academy. She is a consultant on Soviet military and political-military affairs to various government organizations and research institutes. She is a senior research associate at the Advanced International Studies Institute. She resides in McLean, Va., and was born March 15, 1925.

Laurence Hirsch Silberman would succeed Brent Scowcroft. He is currently executive vice president (legal and government affairs) of Crocker National Bank in San Francisco. He is also a visiting fellow of the American Enterprise Institute and a member of the Council on Foreign Relations. He is a former Ambassador to Yugoslavia and was the President's Special Envoy to the European Community, Japan, Australia, and Canada on International Labor Organization affairs in 1976. He resides in San Francisco and was born October 12, 1935.

Elmo Russell Zumwalt, Jr., would succeed George M. Seignious. He is currently serving as president of Admiral Zumwalt and Associates, Inc., a consulting firm in the field of management, energy, health care, overseas business operations, foreign and defense policy, and strategic planning. Admiral Zumwalt was Chief of Naval Operations and a member of the Joint Chiefs of Staff in 1970–1974. He resides in Arlington, Va., and was born November 29, 1920.

Executive Order 12364—The Presidential Management Intern Program

May 24, 1982

By the authority vested in me as President by the Constitution and laws of the United States of America, including Sections 3301 and 3302 of Title 5 of the United States Code, and in order to provide for the recruitment and selection of outstanding employees for careers in public sector management, it is hereby ordered as follows:

Section 1. There is hereby reconstituted the Presidential Management Intern Program. The purpose of the Program is to attract to the Federal service outstanding men and women from a variety of academic disciplines who have a clear interest in, and commitment to, a career in the analysis and management of public policies and programs. Individuals selected for the Program will be known as Presidential Management Interns.

Sec. 2. Eligible individuals are those who have pursued a course of study at the graduate level which demonstrates both an exceptional ability and the commitment stated above. Such individuals at the time of application must have recently received or must expect to receive soon an appropriate advanced degree.

Sec. 3. (a) The Office of Personnel Management shall provide specific guidance as to what constitutes an appropriate advanced degree.

(b) The Office of Personnel Management shall develop appropriate procedures for the recruitment, nomination, screening, placement and continuing career development of outstanding individuals possessing the qualifications described above.

(c) In developing those procedures, the Office of Personnel Management shall be guided by the following principles and policies:

(1) The number of new Presidential Management Interns selected shall not exceed two hundred in any fiscal year.

(2) Final placement of Presidential Management Interns shall be made by the head of the department, agency, or component within the Executive Office of the President in which the Intern is to be employed, or by the designee thereof.

(3) Universities and colleges participating in the Program shall make nominations for the Program. In making nominations, they shall establish competitive selection processes and procedures to ensure that all applicants receive careful and thorough review.

(4) The procedures so developed shall provide for such affirmative actions as the Office of Personnel Management deems appropriate to assure equal employment opportunity. The procedures shall also provide for the application of appropriate veterans preference criteria.

Sec. 4. (a) Successful candidates shall be appointed as Presidential Management Interns to positions in Schedule A of the excepted service. The appointment shall not exceed two years unless extended by the Federal department or agency, with the concurrence of the Office of Personnel Management, for up to one additional year.

(b) Tenure for the Presidential Management Interns shall be governed by the following principles and policies:

(1) Assigned responsibilities shall be consistent with an Intern's educational background and career interests, and the purposes of this Program.

(2) Continuation in the Program shall be contingent upon satisfactory performance by the Interns throughout the internship period.

(3) Except as provided in subsection (4) of this Section, service as an Intern shall confer no rights to further Federal employment in either the competitive or excepted service upon the expiration of the internship period.

(4) Competitive civil service status may be granted to Interns who satisfactorily complete their internships and meet all other requirements prescribed by the Office of Personnel Management.

Sec. 5. Those individuals who are currently undergoing the process of selection, or who were selected or appointed under the provisions of Executive Order No. 12008 and who have not at this time completed their scheduled period of excepted service, may continue their internships under the terms of this Order.

Sec. 6. The Office of Personnel Management shall prescribe such regulations as may be necessary to carry out the purposes of this Order.

Sec. 7. Executive Order No. 12008 of August 25, 1977 is revoked.

RONALD REAGAN

The White House,
May 24, 1982.

[*Filed with the Office of the Federal Register, 4:39 p.m., May 24, 1982*]

Executive Order 12365—Foreign Assistance and Arms Control

May 24, 1982

By the authority vested in me as President of the United States of America by Section 621 of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2381) and Section 301 of Title 3 of the United States Code, it is hereby ordered as follows:

Section 1. Executive Order No. 12163, as amended, entitled "Administration of Foreign Assistance and Related Functions," is further amended as follows:

(a) At the end of Section 1–201(a) add the following new paragraphs:

"(22) Section 725 of the International Security and Development Cooperation Act of 1981;

"(23) Section 726 of the International Security and Development Cooperation Act of 1981;

"(24) Section 728 (b) and (d) of the International Security and Development Cooperation Act of 1981.".

(b) In Section 1–701(d) delete "659" and "and 670(b)(1)" and insert "620E, 670(a)(2), 670(b)(2), and 670(b)(3)" between "669(b)(1)" and "of the Act.".

(c) In Section 1–102(d), delete "301(e)(3)".

(d) In Section 1–201(a)(1), delete "301(b),", "301(e)(3),", and "302(a)(3),".

(e) In Section 1–201(a)(11), delete subsections "(b)," and "(i)," of the reference to Section 620.

(f) Delete Sections 1–201(a) (17) and (19) and renumber the remaining paragraphs accordingly.

(g) In Section 1–201(b), delete "620(i),".

(h) In Section 1–501(a), delete paragraph (1) and renumber the remaining paragraphs accordingly.

(i) Delete Section 1–701(f) and reletter the remaining subsections accordingly.

(j) In Section 1–701(h), delete everything following "(h)" to the end of the section and insert in lieu thereof: "Those under section 520 of the Foreign Assistance and Related Programs Appropriations Act, 1982, with respect to findings.".

Sec. 2. Executive Order No. 11958, as amended, entitled "Administration of Arms Export Controls," is futher amended as follows:

(a) In Section 1(n), add at the end thereof: "The Secretary of Defense shall obtain the concurrence of the Secretary of State and the Secretary of the Treasury on any determination proposed under the authority of Section 42(c) of the Act.".

(b) In Section 1(o), delete everything following "(o)" to the end of the section and insert in lieu thereof: "Those under Sections 52(b) and 53 of the Act to the Secretary of Defense.".

(c) At the end of Section 1, insert the following new paragraph: "(p) Those under Sections 61 and 62(a) of the Act to the Secretary of Defense.".

RONALD REAGAN

The White House,
May 24, 1982.

[*Filed with the Office of the Federal Register, 4:40 p.m., May 24, 1982*]

Reappointment of Kenneth O. Stout as a Member of the National Commission for Employment Policy

May 25, 1982

The President today announced his intention to reappoint Kenneth O. Stout to be a member of the National Commission for Employment Policy for a term expiring May 24, 1985.

Mr. Stout has been serving as a member of the National Commission for Employment Policy since November 1981. He is self-employed and involved with real estate investment programs. He was business manager, Alaska Methodist University, in 1975–1976; professor of business administration in 1974–1975; Chief, J–6 Military Secretariat Organization of the Joint Chiefs of Staff, in 1973–1974; Commander, U.S. Army Security Detachment Headquarters, U.S. Army, Alaska, in 1971–1973; Commander, Intelligence Detachment, Office of the Chief of Staff for Intelligence, in 1969–1970; and Operations Officer, Communications Intelligence, U.S. Army Security Agency, in 1965–1967.

He graduated from the University of Nebraska (B.A., 1964) and the University of Alaska (M.A., 1973). He is married, has two children, and resides in Anchorage, Alaska. He was born October 5, 1929.

Remarks and a Question-and-Answer Session With Rockwell International Employees

May 25, 1982

Audience member. Hey, Dutch!

The President. Somebody—[*laughter*]—somebody's been in Iowa or Illinois. [*Laughter*] I don't hear that much anymore outside of those two places. Dutch is me. That's my nickname. I don't know why. I'm Irish and English, but it started when my father bestowed that on me, and having an older brother, it stuck. And for 5 years as a sports announcer, I found out that—well, I thought that'd sound better if I used Dutch Reagan than Ronald Reagan. So—but every once in a while, I run into that again. Thank you very much.

Well, on the way in, I've just learned how to make a space shuttle and—[*laughter*]—since I got in the door.

No, I want to say, seriously, I'm a little in awe being in this place and knowing all that has been produced here and thinking back over the years as we waited and watched, as you have waited and watched for the results, for that first step on the Moon. You left your fingerprints on that, and then a gentleman left his footprints on the Moon because of you. The space shuttles, the Apollo, the Space Lab and who knows what more to come.

And I'm here to talk to you about a few little problems we have in Washington just for a few minutes, and then we'll have a dialog instead of a monolog. I understand there's a couple of microphones, and I can take some questions. And I'd rather do that than make a speech, and you'd rather have me do that than my make a speech.

But this is a—well, it's always great to get back here to California. As a matter of fact, I keep looking for excuses to get here. California is a hard place to leave. And there are some days in Washington when I want to get here more than others. [*Laughter*] And right now you've probably heard a rumor to the effect that they're discussing a budget up on the Hill. And we've been trying to keep it a secret. [*Laughter*] No, it's very serious and I think for all of us.

Just as you represent something in a great, new development for all of mankind, we're trying to do something new, we think, in Washington, D.C. We think it's time—has been high time for a long time—that we got government back to the place where it didn't spend any more than it took in and it didn't take anymore than it had to out of your pockets. And we think we've made some progress.

About a year and a half ago, when we started, the interest rates were 21½ percent. The Government was increasing spending by 17 percent a year, and inflation was 12.4 percent. And that was the second back-to-back year of double-digit inflation, the only time it had ever happened, I think, in peacetime history. And, of course unemployment was climbing—and it's continued to climb—and we've continued on to the point that we now have a recession. But as of this present year's budget, we've cut that 17 percent rate of increase in half.

The inflation figure for the last year, if you take 12 months back, would run at 6.6 percent. But to show you that we're making progress, if you take it for the last 3 months, for 3 months now inflation has run at less than 1 percent. And you've had that first little bitty installment of it on the tax cuts. But that's one of the things in the budget battle that's going on.

I've insisted on two things for sure, that—well, in addition to reducing unnecessary government spending, the other is that we must stay with our defense budget as closely as we can so that we don't send any more of the wrong signals to the rest of the world. They must know that we are prepared to do whatever is necessary.

The other thing is there is a 10-percent income tax cut scheduled for July 1st and another one scheduled for July 1st, 1983. And then we index the income tax brackets. And just to explain, if someone hasn't heard that term before, what it is we're trying to do—you've gotten down through the years cost-of-living pay raises to try and keep even with the increased cost of living with inflation. But because of the number of dollars that you increased your earnings, very often that pushed you into the next tax bracket up and you found yourself paying more, a higher percentage in tax, and the result was that you were worse off, not better off, after having gotten that cost-of-living raise. Indexing means that we index—that from there on, the tax bracket's the same as the cost of living is indexed, and you don't move up into another bracket. They also are at the same level.

Last year we got that program and we got the cuts that we thought were necessary in spending for that one year. Now, the budget for 1983 that goes into effect October 3d is there, and the Congress is debating seven versions of the budget. I only like one. [*Laughter*] I've got a favorite in there. And it's a favorite that will reduce the projected deficits for the next 3 years by some $390 billion. And it won't—as some have suggested—take away those already scheduled tax cuts. And, while there will be some minor trims in defense, they're trims that the Secretary of Defense, another Californian, Cap Weinberger, tells me they can take without setting us back in our plans for rebuilding our defenses.

I think you people here know better than probably most groups that I would talk to that about a year and a half ago, when we got in there, we found out that on any given day half our airplanes couldn't fly because of a lack of spare parts. Ships couldn't leave harbor. And we had a morale problem among our men and women who were in service. And I'm happy to tell you, not only have all those things been corrected, but so has that. You'd be very proud, as I am, if you could hear from and talk to and see the young men and women in our service and the pride that they now have in wearing the uniform and how willing they are to serve.

But now, that's enough about my business. Now, who wants to use one of those microphones? There they are right in front of you.

Yes, sir. Maybe you don't need the——

Q. Can you hear me?

The President. Yup.

Q. My wife said this morning if I could be in your presence, if I could shake the hand of the President for Mrs. LeGrand of Torrance, California, a Torrance Republican.

The President. If you could shake——

Q. If I could shake your hand for my wife, sir. Mrs. LeGrand. I'm her husband.

The President. Yes. Would you let this gentleman through here? This wasn't a question. His wife wants him to shake my hand as a Republican.

Next time, bring your wife. [*Laughter*]

Yes.

Q. [*Inaudible*]—shake my hand also?

The President. Yes, I would, but I think maybe I've started something here. All right. You come on and I will. But somebody ask a question while this is happening, because this can't be of much interest to those who can't see.

Who has a question? Yes? Come on.

Funding for Space Program

Q. Are you going to increase the space budget?

The President. Am I going to increase the space budget? I guess that's a question that you're kind of interested in. [*Laughter*]

We have budgetary restraints, but we are going forward with four of the space shuttles, as you know. And in that defense budget, as you also know, is the B–1. That isn't space; that's another part of the program. I know that there is talk for a fifth, and that is under consideration. But we'll have to wait now as—to see whether that can be added on or not.

But, yes, we are going forward with the four that are scheduled—four space shuttles that are scheduled.

Someone else? Yes.

U.S.-Soviet Summit

Q. Do you think you'll meet with the Russians on the—[*inaudible*]—this year?

The President. What's that?

Q. Do you think you'll meet with the Russians on the summit this year?

The President. Do I think I'll meet with the Russians? Yes, I do, because I've received a message from President Brezhnev and suggesting a meeting, and we are now—our people at the Secretary of State's level and the Foreign Minister and so forth—they're getting together to try and arrange the exact place and date for that. And we will be talking about what we called the START program.

You know, SALT was strategic arms limitation, except that they could double under the life of the treaty just about what they've got now. We call ours START. It is strategic arms reduction talks. We think we ought to have fewer nuclear missiles than there are in the world.

Yes?

MX Missile

Q. [*Inaudible*]—agreed to—[*inaudible*]—hear that you decided against the desert-base missile system in Utah and Nevada. And I was wondering, what plans do you have in mind concerning the MX missile at this time?

The President. That's a good question—about what plans do we have since we scrapped the mode that had been talked about earlier for the MX missile.

That was to—out in the Utah desert, they were going to build a whole lot of holes connected by a track, and then they were going to keep moving the MX around. Supposedly the Soviets wouldn't know which one of those holes it was in at any given time. Well, it was a tremendously costly operation, and we didn't think that it actually offered that much protection. Granted, it would force the Soviet Union to build more warheads, put more warheads on, but all they had to do was just increase the number of warheads in the event of trying to bomb our missiles or destroy them—just hit every hole, whether it had an MX in it or not.

Right now—the last part of the question is, what are we thinking about doing about that? Well, the first ones—we have asked and we're talking to the Congress about it now—as the first ones come off the line, we're researching several methods of placing them that have been considered—but in the interim of putting them in some of the existing Minuteman III missiles.

And now there has been a new plan that has been advanced and that is getting a lot of attention—the military people—and that is what's called a cluster plan—that you actually, instead of scattering them to hide them, you pick an area and put them all in that limited area—and the idea being that the oncoming missiles would have to come in to such a point that they could very probably detonate their own missiles before they got there as they had to funnel in to hit this very small target—plus which in any form of an antiballistic defense, it would give us a better targeting chance at them. But what we have is an agreement with the Congress that we're going to come back with a recommendation on one of the plans that's being considered later this fall.

There's a hand——

Indexing of Tax Rates

Q. [*Inaudible*]

The President. Oh.

Q. [*Inaudible*]

The President. Can somebody relay that, because that didn't carry up here.

Q. I'd like to know—[*inaudible*].

The President. Did you hear that?

Q. Come up closer. Come up close.

The President. That's—what—Stan, you must have heard it. What did he say? What?

Q. Mr. President, what I'd like to know——

The President. That's good.

Q. ——something about the—[*inaudible*].

The President. Oh. Yeah.

Q. What I'd like to know is how is your index plan for the Nation, how does it differ from the plan that you offered for the State of California when you were Governor?

The President. Oh, how does the indexing plan differ from what we'd offered the State of California? Well, no, the plan that we had tried to get in in the State of California my last year—and we lost—and now about 16 other States have done it; we were just ahead of our time. No, that was one which would have set a limit on how much percentage of the total earnings of the people that the State could take in taxes. It would set a limit beyond which the State could not go.

And the closest thing now in Washington to that is the thing that I have advocated and intend to support, and that is that we set a date down the road as we begin to reduce the deficits—we set a date down the road that we can make and have a constitutional amendment that says the Federal

Government has to balance the budget.

Yes?

Q. [*Inaudible*]—I think you're doing a really good job.

The President. This is kind of embarrassing. He didn't ask a question. He just said he wants me to know he thinks I'm doing a good job. Thank you.

Nuclear War

Q. Recently on TV there have been a lot of programs concerning nuclear evacuation, which is very frightening. And I was wondering, are we getting that close to a nuclear disaster or what? You know, because——

The President. This one is that on TV they've seen so much about an evacuation plan in the event of a nuclear disaster and wanted to know are we getting that close? No, I think we still have a deterrent. There's no question but that they have a superior military force than we do now. It's been built up while we've let ours lag over the years. But I think we still have enough of a deterrent for protection.

But as a part of the defense buildup to make sure that we have a deterrent, we had to face a thing that our country overlooked for a number of years. You know, we had what was called the MAD program—mutual assured destruction—that we could have peace if both sides knew that they could blow the other side up. And part of that was that we would do nothing to protect our people. And then we found out that the Soviet Union for years has had a very expensive and a very efficient civil defense program—shelters, evacuation plans, everything. In other words, they have set out to protect their people. We feel that as a part of our defense, in order to let them know that we have a deterrent, because we've got to show that—and we've got to go forward with some plans for the protection of our own people.

Now, so far the—and the budget constraints and all, we've only gone through with studying a plan of evacuating our cities. That, of course, would mean that you would have to—there'd have to be enough strain in advance that you would think—you'd have some warning that you better get the people out. There wouldn't be any protection in that for a surprise attack if they just push the button, because you've only got about 28 minutes, and that's all she wrote.

But this is all part of our preparing to sit down with the Russians this time, and instead of them looking across the table and knowing that we have been letting our own arms decline, that—well, I can cover it better this way. A cartoon a few days ago—we know how the Soviet Union has been building up, and now we have a defense program including this that you've asked about—the cartoon was of two Russian generals. One of them was saying to the other, "I liked the arms race better when we were the only ones in it." [*Laughter*]

Yes?

U.K.-Argentine Conflict

Q. Mr. President, it has been reported in the paper there that the Soviet Union has satellites over the Falkland Islands down there. I would like to know, does the United States of America have any satellites in the same area watching the Soviets and the Argentines?

The President. Well, this question is one that I just don't think I can comment on. [*Laughter*] This question is that we've read that the Soviets—in the papers that the Soviet Union has satellites, communication satellites, or surveillance satellites, down over the Falkland area, and do we have anything there watching them. And I have to stick with my first answer there; I just can't comment on matters of that kind.

Q. Well, you've got Rockwell, and Seal Beach makes the finest in the whole wide world.

The President. I know that you make the finest in the whole wide world, and just rest assured that we're using them. [*Laughter*]

Mr. Anderson.[1] Mr. President, we have time for one more question.

The President. Oh, dear. Here's a young fellow standing right here. Looks like the youngest one here.

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[1] *Robert Anderson, chief executive officer and chairman of the board, Rockwell International.*

Federal Communications Commission

Q. The FCC has been trying to get a hold of the donor records including the names and addresses of my church—[*inaudible*].

The President. This is a question about a church, and you say it's the IRS that's——

Q. The FCC——

The President. Oh, the FCC.

Q. [*Inaudible*]

The President. All right. And you want me to check in and see if this is so and what's behind it or if they have any justification for doing this? That's easy to do. I can do that; I will.

There's a lady here. And this one—he runs the place and he tells me I've got to quit now. [*Laughter*]

Q. Mr. President?

The President. Yes.

Q. She wanted me to read the question from the gentleman in the back——

The President Oh.

Q. ——who said, "I am proud of you because you visit us. I've been wanting to see you for a long time. And now it is my first life to see you—first time in life to see you."

The President. Well, you never stayed up for any of the late, late movies. [*Laughter*]

This is awful. I'm sorry. They tell me that I've taken up all the time and I can't——

Q. One more.

Q. One more.

Q. [*Inaudible*]

The President. Oh.

Q. [*Inaudible*]

The President. Oh. These are people with a hearing problem and who are seeing me for the first time. And I—well, thank you very much. I didn't understand.

I have to conclude now, but let me just say he made me think—I've told many times, I've gotten questions sometimes about what is it like to see yourself on the late, late show in one of those old movies. And my only answer has always been, "It's like looking at a son I never knew I had." [*Laughter*]

I'm sorry that I can't take any more. Thank you very much.

Mr. McQuillin. Mr. President, you're the first President that we've ever had that has been at Houston Mission Control during a mission on STS–2. And you're the first President that has ever visited this home of the Rockwell men and women that made the Apollo and now the shuttle spacecraft. You're the first President that's ever had a miraculous technological feat, such as the shuttle, performed for the first time and the only President that had three flights on such a reusable machine. We expect there are going to be a lot of space firsts in your administration, and we at Rockwell are going to try very hard to make that happen.

We have a little memento for you that is in appreciation, our appreciation of your visit to us today. I'd like to thank you for all the men and women of Rockwell for visiting us, sir.

The President. Thank you all very much.

I'm very proud to have this, and it is true, I was in Mission Control. There's only one complaint that I have. They were out over Honolulu someplace, coming around, and I think about the next time or two around was supposed to land at Edwards out there. And I asked them if the next time around would they stop in Washington and pick me up and take me to California, too. [*Laughter*] They said they would, but they didn't. [*Laughter*]

But this is a proud moment for me, and I thank all of you very much. And God bless you for what you're doing. Thank you for that.

I will add just one thing to those nice things that you were saying about me and the space program. Also—and I suppose this is true of other Presidents, so I can't claim a first, but I also assure you that this President believes in the space program and its importance to this nation.

Thank you very much.

Note: The President spoke at 1:31 p.m. in Rockwell's central manufacturing area in Downey, Calif. Prior to his remarks, he was given a tour of the assembly area.

W. D. McQuillin, director of manufacturing of the Rockwell Space Group, presented the President with a figurine which contained souvenirs flown on several of the space shuttle Columbia *missions.*

Executive Order 12366—Presidential Commission on Broadcasting to Cuba

May 25, 1982

By the authority vested in me as President of the United States of America, and in accordance with the Federal Advisory Committee Act, as amended (5 U.S.C. App. 1), in order to permit an increase in the membership of the Presidential Commission on Broadcasting to Cuba by one member, Section 1(b) of Executive Order No. 12323 of September 22, 1981, is hereby amended to read as follows:

"(b) The Commission shall be composed of twelve members appointed by the President from among citizens of the United States."

RONALD REAGAN

The White House,
May 25, 1982.

[*Filed with the Office of the Federal Register, 9:03 a.m., May 26, 1982*]

Letter to the Speaker of the House and the Chairman of the Senate Foreign Relations Committee Reporting on the Cyprus Conflict

May 25, 1982

Dear Mr. Speaker: (Dear Mr. Chairman:)

In accordance with the provisions of Public Law 95–384, I am submitting the following report on progress made during the past 60 days toward reaching a negotiated settlement of the Cyprus problem.

In the course of continuing discussion of the United Nations "evaluation" of the intercommunal negotiations, the Greek Cypriot and Turkish Cypriot negotiators met on April 14, 21, and 30 and May 4, 6, 11, 13, and 18. The negotiators have continued to focus their discussion on elements of the United Nations "evaluation" of the intercommunal negotiations. Having completed their initial review of many of the "points of coincidence," the communities are now beginning examination of "points of equidistance" including such issues as the freedoms of movement, settlement and property ownership in any future agreement. The negotiating sessions continue to be useful and constructive discussions with good relations between the participants.

United Nations Secretary General Perez de Cuellar met in Rome on April 4 with Cypriot President Kyprianou and in Geneva on April 9 with Turkish Cypriot leader Denktash. These meetings provided a thorough review of the status of the negotiations and both sides agreed to accelerate the pace of the talks and hold two meetings per week. The negotiating parties also agreed to meet again with the Secretary General in New York in June for a further review of the negotiating process.

We believe that the intercommunal negotiations are firmly established as a strong and effective tool to promote progress toward resolving the Cyprus problem. I wish to congratulate both the United Nations Secretary General and his Special Representative on Cyprus, Ambassador Hugo Gobbi, for their commitment to bringing the Cyprus problem to a just and lasting settlement. They have my full support for their efforts. We hope that the negotiators will seize the opportunities offered by the United Nations "evaluation" to make progress toward resolving outstanding differences between the communities.

Sincerely,

RONALD REAGAN

Note: This is the text of identical letters *addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Charles H. Percy, chairman of the Senate Foreign Relations Committee.*

Remarks in Los Angeles at a California Republican Party Fundraising Dinner

May 25, 1982

Reverend clergy, Senator Hayakawa, our party chairman, our dinner chairman and host, our toastmaster, all the distinguished ladies and gentlemen up here, and you ladies and gentlemen, all distinguished, out there:

Nancy and I thank you for a very great and warm California welcome. You know, it's always a pleasure to get home, if only for a short visit. And one of the best things about getting home is seeing old friends, and we've been doing that tonight.

Many of us in this room have been toiling together in the political vineyards for more than 20 years. We've shared victories and defeats, good times and bad. I made it 20 years and not more than that, because any more than that I wasn't a Republican. [*Laughter*] But we've shared the good times and bad and, what's most important, I guess, is that we've never become complacent. This magnificent display of unity and commitment will undoubtedly be remembered as one of the good times. And I think we all owe a round of applause to David Murdock and the others for what they've done to make this evening the success that it is.

I remember not too long ago when a big fundraiser like this was only $100 a plate—[*laughter*]—and I know the material cost of your being here tonight. It's lucky we've got inflation under control, or who knows how much you'd be paying? [*Laughter*]

Tonight we kick off the 1982 campaign season for the California Republican Party. Only a few years ago our party registration was dropping, our coffers were empty, and we were in retreat. If the Dodgers had been doing that poorly, Vin Scully would have been placing side bets on the visiting teams. [*Laughter*]

Thomas Edison once said, "I never did anything worth doing by accident, nor did any of my inventions come by accident; they came by work." Well, the current strength and vitality of our party didn't happen by accident, either. It took work. And each of you should be congratulated for what you've done. Obviously, many of you have been working extra hard. But accomplishments also require leadership, and tonight I'd like to take this opportunity to thank Tirso del Junco for the fine job that he's doing here in California.

Now, there is one other person who should be singled out for all that he has done to inspire and unite the California Republican Party. I'd ask him to stand and take a bow, but unfortunately Jerry Brown couldn't be with us tonight. [*Laughter*] He wants to raise taxes. We left him a half-a-million-dollar surplus. Well, easy come, easy go. [*Laughter*]

Seriously, though, we've got tremendous candidates for the Senate, and I can't see a reason why any one of them will not be able to keep Jerry Brown right here where he belongs—here in California swatting medflies. Or do I have that wrong? Does he raise them? [*Laughter*]

The sad thing is that come January, a Republican Governor is going to have an awful time straightening things out in Sacramento. It won't be easy; I've had some experience in cleaning up after a Brown. [*Laughter*]

But in a few days, Californians will be going to the polls and, along with determining the party nominations, you'll be given a chance to register your opposition to a blatantly unfair redistricting plan. The way to vote against backroom political manipulation is to vote no on Propositions 10, 11, and 12.

The maneuvering behind redistricting is

just one more example of how we must remain vigilant if the sanctity of the ballot box is to be preserved. Of course, none of us ever thought that making government work in a free society would be easy. Teddy Roosevelt had an insight into this. He said, "The noblest of all forms of government is self-government, but it's also the most difficult." To put it another way, if freedom were easy there'd be a great many more free countries.

America during the last 20 years has been poised at a crossroads. A number of political forces, as we should expect in a free society, are trying to direct our country down whichever path most closely conforms to their philosophy and world view. It will be the activists—those who organize and vote—who determine what America will be like two decades from now. It's our job to muster the forces of hope, to inspire them with a positive program that will ensure that America remains a prosperous and a free country.

We're engaged in an epic conflict with the proponents of negativism, the advocates of "no." They offer the politics of no growth, no take-home pay, no neighborhood schools, no incentives to work, no incentives to save, no protections for the family, and no security for our nation or safety at home.

We are and must remain the bold proponents of "yes." Yes, we can have a brighter future. Yes, we can make America work. Yes, we can solve our problems and, yes, we can have a safe and strong America. Yes, we can live together in harmony no matter what our race or religion.

We say this because when it comes to our country, yes is the only word we understand. And I'm not just talking about Republicans. The American people—Republicans, Independents, and Democrats alike—want a positive alternative, something our opponents with all their criticism have yet to offer. The Washington establishment may think it sounds corny, but we still believe in the people, and so do Americans.

A study conducted by the Gallup organization has recently found that among all the industrialized nations, Americans are the most willing to fight for their country, the proudest of their national identity, the most likely to find achievement in their work. They are also deeply religious and behind only the Irish and the English in viewing themselves as happy. Do you suppose that makes us Irish-Americans the happiest of all? [*Laughter*] It does tonight.

These findings shouldn't surprise anyone. We've always believed that you can count on the American people. You can count on them to handle their own affairs much better than the Government can do it for them. You can count on them to spend their money more wisely than government can spend it for them. You can count on their courage when the cause is just, and you can count on them to do what is right when they are given the facts. And that's our responsibility. We've got to work with all the energy we possess to let the people know about the choices we face as a nation. We've got to make sure that our people have the opportunity to hear our message. We'll also do our utmost to see that they won't have to be called on to fight for their country, because our goal is peace.

Now recently, I've been through some serious negotiations with a gentleman named Tip O'Neill, a man whose concern about deficits is legendary. [*Laughter*] I tried to meet him halfway and on his own turf. We did our best to reach a compromise that would have started the budget process moving again and reassuring the Nation. Instead of compromise, he wanted surrender; instead of progress, he wanted to cancel the election of 1980.

I can pledge to you tonight, we'll be constructive. We're open to new ideas. We'll go the extra mile. But we will never shelve the mandate of 1980 and return to politics as usual.

The people have spoken. The old days of ever bigger taxes and uncontrolled government spending are over. The Speaker told reporters after our negotiations that philosophical differences separated us. Well, he's absolutely right. I just don't believe the philosophy of "no." The profligate spending by liberal kingpins in Washington represents the aspirations of many Democrat Members of Congress and the rank-and-file of their party.

Every demand they made in that meeting was based on increased spending and higher taxes. Now, we tried our best to reach a reasonable understanding. Now it's time for responsible activists in both parties to get on with the business at hand, and that's exactly what we intend to do. That's why the Members of the House aren't here tonight that were supposed to be here, because they're facing right now on the floor of the Congress—and they've been up for late hours on this—having eliminated five of the budget proposals already, they're facing 68 amendments to the two remaining budget proposals.

The liberal philosophy represented by those still in leadership positions in the Democratic Party has had its chance and failed. Thirty years ago, Speaker O'Neill, already a political veteran, was elected to Congress. Now, I was still in movies back in those days. [*Laughter*] And believe me, "Bedtime for Bonzo" made more sense than what they were doing in Washington. [*Laughter*]

During the coming election, we cannot let the legacy of the big spenders and big taxers be forgotten. Will you forgive me if I offer some reminders? In the years prior to the 1980 election, our economy was on the skids, our people were demoralized. Indeed, a voice from the White House told them they suffered a malaise. Overseas, our friends and allies alike saw us as a nation in decline. Government spending was out of control, growing at an annual rate of 17 percent in the year 1980 alone. Taxation was strangling any chance of progress. Dollars that could have been used for business expansion, individual savings, or consumer spending were spent on government expansion.

Taxes actually doubled between 1976 and 1981. They went up $300 billion, and there were $318 billion in that same period in deficits. For all their talk about compassion, they created one of the most brutal inflations in our nation's history. In 1980, it was running at double-digit levels for the second year in a row, robbing from those on fixed incomes, attacking the well-being of the poor and the middle class, stifling savings, and shooting interest rates sky high.

Anyone who questions the responsibility for these miserable conditions should only compare what we inherited with what our current opposition was handed 4 years earlier.

My predecessor and the liberal hierarchy in the Congress started in '76 with an inflation rate of 4.8 percent. By 1980, they had run it up to 12.4 percent. Now, some of you may have heard Senator Kennedy and others in the liberal hierarchy complain about interest rates recently. Well, this is going to make you cry.

In December of 1976, the last full month of the last Republican administration, the prime interest rate averaged 6.4 percent. By December of 1980, interest rates were 21.5 percent. Prior to the 1980 election, productivity was down for the third year in a row, and unemployment was heading up again. I remember campaigning in the Midwest during the 1980 election in towns with 18 and 20 percent unemployment then, where the collapse of several important industries had already begun.

Do any of you remember the misery index? That goes back to '76. My predecessor invented that as a candidate. He added the rates of unemployment and inflation together and then said of the incumbent President that, "No man had the right to seek reelection as a President who had a misery index of 12.5." And he won. He was in office, and after 4 years with a Democratic majority in both Houses of the Congress, the misery index stood at 19½. But he ran for reelection.

Well, in this election year, they haven't mentioned the misery index. Yes, we have a recession; they've mentioned that. And we have an unemployment rate which I'm as concerned about as anyone could be. But that 19.5 misery index we inherited is, for the first quarter of 1982, only 9.8 percent.

We figured that what America needed was a commitment to tackle the basic problems holding our country back and a willingness to stick with it until the job was done. And that's what we've set out to do. Our program has four basic points. Most of you can probably recite them with me, because it's not my program, it's our program, and together we've accomplished much of it.

First, we called for getting government

spending under control. Well, we've cut the rate of growth in that spending nearly in half in the first year. Our programs called for a tax rate reduction. We've set in place a tax program that will leave hundreds of billions of dollars in the pockets of working people that would have been grabbed away by built-in tax increases. Indeed, the biggest single tax increase in our nation's history was passed in 1977. And for the first time ever, we have managed to eliminate government's hidden tax increase—caused by inflation—by indexing, which will start in 1985.

We called for the elimination of wasteful and counterproductive regulations. And Vice President Bush has been leading this fight, heading a task force with spectacular results. By the end of this fiscal year, the American people will be spared the expense of 200 million man-hours of nonproductive paperwork required under those previous regulations. Now that savings can go into investments which create new jobs. The *Federal Register*, the book which lists new regulations, was 23,000 pages smaller last year due to the efforts of that task force.

The last part of our program is a commitment to work with the Federal Reserve System to ensure a stable monetary policy. And we've done that. And along with the rest of our program, it's brought a drop in the inflation rate—totally unpredicated, by the way. If you remember, our critics, just a short time ago, and some of the so-called experts were telling us it would take a decade to wring inflation out of the economy. Well, inflation for the past 12 months hasn't been running at 12.4; it's been running at an annual rate of 6.6 percent. But for the last 3 months, the Consumer Price Index has been running at less than 1 percent.

Very early in the administration, over shrill voices that predicted skyrocketing prices, we decontrolled the price of oil. And decontrol unleashed a stampede of exploration, promoted conservation, contributed to the oil glut, and reduced prices. Here again, our policies are pumping vast resources into our economy which were evaporating under the previous administration.

There was one problem we met head on in the early months of the administration which could have brought havoc had it not been dealt with quickly and firmly. I think everyone who depends on government—from social security recipients to businessmen—can rest easier now that we've reaffirmed that Federal employees do not and will not have the right to strike.

We've brought tough professionals into this administration who are taking our goals of efficiency seriously. The campaign against fraud, waste, and mismanagement is showing results. For example, calls and letters to hotlines—where someone is to call in with some tip that they can give us that's a saving—has more than doubled in some of the Federal agencies last year, and one phone call alone last September to the Department of Labor resulted in a $10,000 savings.

It was the American taxpayers who brought to our attention films, pamphlets, and magazines that the Federal Government produced by the truckload. We call it the Federal flood of flicks, flacks, and foldouts. [*Laughter*] Well, one of our projects is aimed at stemming the tide. And due to those efforts, you're no longer paying for a pamphlet called "Imaginative Ways with Bathrooms"—[*laughter*]—or a coloring book that costs $145,000, or a photo guide to employees of the Bureau of Land Management so they could find their way around the country. [*Laughter*]

Furthermore, Agriculture found it didn't need a series of recipe books costing over $33,000, which, among other things, instructed taxpayers on how to stuff hard-boiled eggs with crab meat. [*Laughter*] HUD discovered it could reduce the size and cost of its annual congressional report from four volumes to one, from 1,000 pages to 150, and that was a savings of $14,000. Commerce eliminated nine internal newsletters, and that saved $100,000 a year.

I'm convinced that we've created a momentum for change. The previous administration acted helpless before the Federal monolith, but the Federal Government is composed of individuals. Almost all of them are solid, patriotic citizens, anxious to do their job. It's just that most of them have never been asked how to make things better, even though they've had plenty of good ideas. Well, we're asking, and we're following through.

It's a slow process, as is all lasting change in the age of television and instant gratification. I know it's not easy politically. You know, there's an old story about the impulsive child who realized he had a problem because of being impulsive and decided to pray about it. And he got down on his knees and he prayed, "Dear Lord, please give me patience—and I want it right now." [*Laughter*]

I'm convinced that the American people will respond if dealt with maturely and honestly. They're willing, if we tell them the facts, to give our program a chance. This recession has made our task difficult, but gloom and doomers notwithstanding, I believe we're on the verge of a tangible and lasting recovery.

The savings rate is up. The preliminary figures suggest the savings rate has jumped from 4.9 percent of the people's earnings to 6.3 percent under the new incentives of our program. And remember, you've only received the first installment of our tax cuts. This is providing a vast new pool of capital for investment and is a tangible indicator that interest rates should be coming down soon. Auto production will be up for the second quarter and some laid-off employees are already being rehired. Construction of office buildings is up. Business travel is up. Home mortgage rates are declining. We still have a long way to go, but we're on our way back.

Finally, I'd like to speak with you about a vital area of accomplishment, one we must never permit to be politicized. Yes, it's something of which we can be rightfully proud.

A few years ago, America was still suffering from what has been referred to as "The Vietnam Syndrome"—self-doubt, vacillation, and confusion accompanied a decline in our military strength. Our allies and our adversaries alike thought of us as weak and indecisive. The dedicated men and women in our Armed Forces reacted as one might predict. Professionals whose skills were badly needed left the service in droves.

I say to you tonight, we can be proud that aside from everything else in these last 16 months, we have restored the confidence of the United States of America. Today our allies know that we're not afraid to lead. Our adversaries are beginning to get the idea that we're a force with which to be reckoned. The men and women of our Armed Forces know now that we're proud of them. We're grateful for the job they're doing, and we'll back them up if they're called upon. And let me give you an example.

Our Ambassador to Luxembourg wrote me a letter. He had just returned from a visit to one of our armored cavalry regiments up along the East German border. And as he was leaving, went over to his helicopter, a 19-year-old trooper stopped him, and he asked the Ambassador if he, by any chance, could ever get a message to me. And being an Ambassador, of course he could, and he said so. And the young fellow said, "Well, will you just tell the President we're proud to be here, and we ain't scared o'nothin'." We may not have taught him much in English, but I sure like his attitude.

In just 1 week, I'll be leaving for my first trip to Europe as President of the United States. My utmost goal, second only to the preservation of our freedom, is, as I said, maintaining world peace. Our nation is in a much better position today to negotiate and achieve meaningful arms reduction because of the commitments that we've made.

Permitting our defense posture to erode did nothing to further the cause of peace. We have two arms reductions proposals on the table, proposals which will bring both sides into balance, rather than freezing either side into a position of inferiority and vulnerability. But like prosperity, peace comes from commitment and hard work. And in any forthcoming arms reduction talks, the Soviets know this time the alternative to reducing their arms strength is to try and match our industrial capacity.

A cartoon the other day told it all. Two Soviet generals were pictured. One of them was saying to the other, "I liked the arms race better when we were the only ones in it." [*Laughter*]

In the coming months, our people will again have to make a judgment at the polls. We must state our case clearly. We must get our message to the people. Together, we can and will keep America the great nation that God intended it to be. And tonight, for the first time, you reminded me of something that I quoted at the Republican National Convention in 1980. And you really did remind me of Tom Paine's statement 200 years ago when he said, "We have it in our power to begin the world over again."

Thank you, and God bless you.

Note: The President spoke at 9:44 p.m. in the Los Angeles Ballroom at the Century Plaza Hotel. In his remarks, he referred to David Murdock, finance chairman, and Dr. Tirso del Junco, chairman, California State Republican Party.

Following his remarks, the President and Mrs. Reagan left Los Angeles and went to Rancho del Cielo, their ranch near Santa Barbara, Calif.

Message to the Congress Transmitting the Final Report of the United States Sinai Support Mission

May 26, 1982

To the Congress of the United States:

I am pleased to transmit herewith the Thirteenth Report of the United States Sinai Support Mission. It covers the Mission's activities during the six-month period ending April 26, 1982. This report is provided in accordance with Section 4 of Public Law 94–110 of October 13, 1975.

This is the final report on the Mission's peacekeeping operations, which ended on April 25, 1982, when Israel completed its withdrawal from the Sinai and Egyptian sovereignty was reestablished in accordance with the 1979 Peace Treaty. At that time the Sinai Field Mission, the Support Mission's overseas arm, relinquished its treaty verification responsibilities to the new Multinational Force and Observers. Established by the August 3, 1981, Protocol to the Peace Treaty, the Multinational Force is now supervising implementation of the Treaty security arrangements.

The Congress appropriated $5 million for the conclusion of the Sinai Support Mission's activities in Fiscal Year 1982. By careful financial and technical planning to minimize its phase-out costs, the Mission expects to complete its activities at this minimal funding level. No funds are being requested for Fiscal Year 1983.

The Field Mission's base camp in the Sinai is expected to be closed by June 1982 and the fixed assets turned over to the Government of Egypt at that time as authorized in Section 6 of the Special International Security Assistance Act of 1979 (PL 96–35). The movable assets are being made available to the United States Embassies in Egypt and Israel and to the Multinational Force and Observers on a non-reimbursable basis under authorities contained in the Federal Property and Administrative Services Act of 1949, as amended (40 USC 511 *et seq.*). In accordance with Executive Order 12357 of April 6, 1982, the Sinai Support Mission will conclude its activities no later than September 30, 1982, at which time the Department of State will assume responsibility for any residual actions necessary to complete activities initiated by the Mission.

The Congress and the American people can take pride in the successful completion of this unique peacekeeping initiative that combined Government and private sector talents to carry out on very short notice a sensitive and complex series of missions in an isolated and distant environment. In meeting these challenges, the men and women of the Sinai Support and Field Missions have made a major contribution to our continuing efforts to bring a just and lasting peace to the troubled Middle East.

RONALD REAGAN

The White House,
May 26, 1982.

Note: The report is entitled "Report to the Congress: SSM—United States Sinai Support Mission."

Statement on Proposed Anticrime Legislation
May 26, 1982

Last fall, I spoke to the Nation's chiefs of police about crime and what the Federal Government can do to help them fight it. Today, I am happy to report that Senator Strom Thurmond, chairman of the Senate Judiciary Committee, Senator Joseph Biden, and others have introduced a comprehensive, bipartisan package of anticrime proposals. I urge the Congress to give it prompt and favorable consideration.

We all know that the Federal Government cannot, by itself, end violent, organized or drug-related crime. Our first line of defense against the criminal predators in our midst will continue to be the State and local law enforcement officers who risk their lives each day in communities across the Nation.

The primary responsibility for prosecuting and punishing criminals lies with the States, whose courts handle 97 percent of all criminal cases. However, the Federal Government can set an example for the States by establishing a modern, effective criminal justice system, including laws that will correct the imbalance that has developed between the forces of crime and their victims.

This legislation contains several statutory reforms that are long overdue. It includes reform of our bail laws so that a judge, after a hearing with full due process protections, can prevent a dangerous defendant from returning to the streets to prey once again on innocent citizens. It would permit a judge to set reasonable conditions for pretrial release and to lock up any defendant who is rearrested while out on bail.

The legislation also provides for comprehensive sentencing reform, replacing our unpredictable and discredited parole system with fixed sentences. A judge would be required to sentence an offender within specific guidelines, or explain in writing his failure to do so. Moreover, in contrast to the current situation, once a sentence is given, it would actually be served.

Penalties for those trafficking in dangerous drugs are also strengthened. All property used in drug trafficking or racketeering activities, along with all proceeds received from such illicit enterprises, would be subject to forfeiture to the Federal Government upon the criminal convictions of the ringleaders. Drug trafficking is a $79 billion a year industry in this country, and the penalties now on the books are viewed by drug dealers as an insignificant cost of doing business. The forfeiture provisions and increased fines provided by this bill are essential if we are to take the profit out of these destructive activities.

I am particularly pleased to note that this legislation would help the forgotten people in the criminal justice system—the victims and witnesses whose assistance is vital to every criminal prosecution. This bill provides for the use of criminal sanctions and civil injunctions to protect victims and witnesses from harassment and retaliation. I hope that this will be only the first in a series of measures to protect the victims rather than the perpetrators of crime. The Task Force on Victims of Crime, which I recently established, will report to me later this year with recommendations in this crucial field.

Again, I extend my appreciation to the bipartisan Senate sponsors of this major crime-fighting initiative and urge its passage by the Congress.

Nomination of Arthur H. Davis, Jr., To Be United States Ambassador to Paraguay

May 26, 1982

The President today announced his intention to nominate Arthur H. Davis, Jr., to be Ambassador to Paraguay. He would succeed Lyle Franklin Lane.

Mr. Davis served in the United States Army Air Force in 1942–1945. He was a meteorologist with Pan American-Grace Airways, Santiago, Chile, in 1945–1946 and with United Airlines at Stapleton Airport, Denver, Colo., in 1956–1962. He was director of public relations (1962–1963) and vice president (1963–1968) at Von Frellick Associates in Denver, Colo. In 1963–1968, he was also president of New Englewood Co., a subsidiary of Von Frellick Associates. He was president of Villa Enterprises, Inc., in Lakewood, Colo., in 1968–1978. In 1968 he was a consultant and in 1974–1976 he was manager and director of leasing at Villa Italia, Limited, in Lakewood. He was director of leasing at the Loup-Miller Companies in Denver in 1971–1974, and since 1976 he has been president of Arthur Davis and Associates, Inc., in Lakewood.

Mr. Davis attended the Air Force Meteorology School (1942) and the University of Colorado (1956–1959). He is married, has four children, and resides in Golden, Colo. He was born October 6, 1917.

Appointment of Two Members of the President's Commission on Executive Exchange

May 26, 1982

The President today announced his intention to appoint the following individuals to be members of the President's Commission on Executive Exchange for terms of 2 years.

Willie D. Davis is owner of Willie Davis Distributing Co. in Los Angeles, Calif. He is also owner of KACE–FM Radio Station and a member of the board of directors of Joseph Schlitz Brewing Co. He is a charter member and director of Executive Savings and Loan Association. He is president and director of the Los Angeles Urban League and a member of the Los Angeles County Special Task Force. He graduated from Grambling College (B.S., 1956) and the University of Chicago (M.B.A., 1968). He is married, has two children, and resides in Marina del Rey, Calif. He was born July 24, 1934.

Jewel Lafontant is a senior member in the law firm of Lafontant, Wilkins, and Jones in Chicago, Ill. In addition she is special assistant attorney general for the State of Illinois. She was Deputy Solicitor General of the United States in 1973–1975. In 1973–1975 she was a specialist in civil law and deportation cases. She was United States Representative to the United Nations in 1972. She serves on the board of directors for several corporations, including Continental Bank, the Bendix Corp., and Trans World Corp. She graduated from Oberlin College (B.A., 1943) and the University of Chicago (LL.D., 1946). She resides in Chicago, Ill., and was born April 28, 1922.

Message on the 19th Anniversary of the Organization of African Unity

May 26, 1982

Dear Mr. President:

On the occasion May 25 of the 19th anniversary of the signing of the charter of the Organization of African Unity I take great pleasure in extending to you, and through you to the people of Africa, the best wishes of the American people and myself.

This year's celebration of African Unity Day comes at a particularly important time in African-American relations. You may be assured that our efforts, along with our partners, to bring Namibia to independence via free and fair elections based on United Nations Security Council resolution 435 and to bring peace to the Southern Africa region will be unceasing. We will continue to cooperate with the OAU in your peace-keeping efforts in Chad.

With every good wish,

Sincerely,

RONALD REAGAN

Note: The message was addressed to His Excellency Daniel T. arap Moi, President of Kenya and Chairman of the OAU.

Interview With Representatives of Western European Publications

May 21, 1982

Versailles Economic Summit Conference

Q. Mr. President, Mr. Mitterrand is the first French President who is a Socialist President in France, and he invites his fellow heads of states and governments to a king's palace. How do you feel about all that?

The President. Having been a visitor at Versailles myself once before, some years ago, I am looking forward to it, seeing all that beauty again. Wasn't Louis XIV known as the Sun King? Maybe we'll all go there for enlightenment.

Q. How close are you with Mr. Mitterrand and what kind of relationship do you have? How often do you communicate with him on what you feel?

The President. I don't know what the schedule has been for previous Presidents, but in this year and a half or so that I've been here, I have met several times with all the leaders that I will be meeting at Versailles. And we're all on a first-name basis, no titles. We have had, I think, a very friendly relationship, a very open relationship in the meetings that we've had in Ottawa and Cancún, here in Washington. I think it's been most helpful. I think we have a closer relationship, perhaps, than has existed before, and I mean all the leaders of the North Atlantic Alliance and all who will be at Versailles.

Q. But, in between the meetings, do you communicate, and how, with the language barrier and all?

The President. We have to resort to interpreters, and I've learned to get along with that. Some of the others speak some English. I had a couple of years of schoolboy French many, many years ago, because it was compulsory in the school that I attended. But I couldn't rely on it myself now. I shouldn't be taking up all this time, but I told the President about an experience that I had with having to use French the first time that I ever went to France. I went with a couple from England, had been in London for the winter, and we went across the Channel in the spring to go down to the south of France. I didn't know that they had never crossed the Channel before, and they knew not one word of French, and we were going to drive in their car. I realized that if there was any communication it was going to be up to me. And we were coming to a town where we were going to have lunch. I was thinking and trying to dredge up all the words that I could remember on how to find the best cafe.

As words began to come back to me I sort of padded my part, and we did arrive in a little town. There was a *gendarme* in the street. We pulled up beside him and by this time I was ready. I said, *"Pardon, monsieur, j'ai grand faim. Où est le meilleur cafe?"*—"I'm very hungry and where is the best cafe?" And he told me, and my friend who was driving says, "What did he say?" I said, "I haven't the slightest idea." [*Laughter*] I could rehearse the question. I couldn't rehearse the answer.

Q. Mr. President, if I can pick up again on your personal contact, you met 11 months ago in Ottawa with six Western European heads of state and governments, and you will all be meeting again together soon. What have you accomplished since then, not only on a personal level but also in terms of politics? What have you accomplished collectively, for instance, that you could not accomplish separately?

The President. I've always believed that a lot of problems are resolved if you are talking to each other, instead of about each other. And I think that there have been tensions in the past that have affected us as allies and friends. We all share a great many mutual problems. We're all having economic problems. Unemployment is a problem for us. And I think that the personal bond that we've established has created a relationship that is very close and that makes us able to discuss openly and freely those things that are of mutual interest to us, those problems where maybe we can solve them better together than we can by going our own ways.

Economic Policies

Q. Last year you heard some complaints from the Europeans on the high rates of interest in the United States, and you told them that the United States was suffering from those high rates as well. Certainly your recession looks a little bit more credible now. Now the Europeans are complaining about unemployment, which does great damage to the socio-economic fabric of Western Europe. What will you tell them now, given the fact that unemployment is also a problem in this country, the slow recovery—what will you be discussing with them in concrete ways to face this problem?

The President. I think that the answer has to be a correction. You can't correct unemployment unless you correct the problems that have caused a virtually worldwide recession. These have to do with trade, imports and exports. All the things that we can put on the table that may be restricting the free flow of trade, that could stimulate markets, are essential to that.

When I hear the feeling about the high interest rates, I believe there was an honest misunderstanding that they thought these were somehow a part of our economic policy; that we were using high interest rates because of our double-digit inflation. They weren't part of our policy, and I think the other leaders realize that we have here in the Federal Reserve System an autonomous body that is not subject to pressure of any kind from those of us who hold office. In addition, the interest rates are set by the marketplace itself, the money market. We believe that in our case the high interest rates were the result of inflation.

Now we have brought inflation down. The doomcriers were saying a year ago that it would take 10 years to get a handle on the inflation problem. Well, month before last inflation actually disappeared for a month in America, and we had deflation. This past month it came up just a fraction of a percentage point. For the last 6 months inflation has been around 3 percent. I think we're going to see even more improvement compared to 1980–1981 as we go on through the year.

We think this is a big factor in getting interest rates down, and if we and Congress can get the savings that we're asking for in the budget for 1983, we think it will send a signal to the money markets that will bring interest rates down further.

We don't believe that we were the causes of Europe's problems. We could point to Italy's own interest rates, which are twice and three times the interest rates of Germany and Japan, and I don't think they have had any effect on those countries. But I think that the leaders of Europe and Japan now understand that this was not a deliberate part of an economic policy. This was a problem that we're trying to lick.

Q. If I could follow up on that point, Mr. President, while inflation has come down, most of the other economic indicators are still fairly grim. They talk about the rate of corporation failures, savings that haven't really picked up, and unemployment, of course, is at more-or-less record levels. And then there is the record budget deficit as well.

Now, at Ottawa last year, you linked the question of interest rates to a revitalization of the U.S. economy, but this revitalization doesn't seem to have started yet. Can you say what has gone wrong from this end, and when will you be able to assure the European leaders that "happy days are here again"?

The President. I don't believe that anything has gone wrong. I think that many people confuse the adoption by Congress of the first phase of our plan with the plan being in operation. We believe very much in the incentive tax package that we passed with its reducing of taxes. But that's to be spread over a 3-year period.

We had asked for, originally, three yearly 10-percent cuts. We got one 5-percent cut, and the other two were 10-percent, but they have not yet gone into effect. We had also asked those tax cuts be retroactive to January 1st, 1981. In the compromise that goes on in a parliament or a congress, we had to take the best that we could get.

The 5-percent cut, not 10, did not go into effect until last October. We did see an immediate increase in personal savings rates after that had happened because of some features of the tax program. But if there is an incentive to those tax cuts, as we believe there is, we have to wait until the people are actually getting those cuts and having that extra money in their pockets.

The next cut—the 10-percent cut—will go into effect July 1st and then the next one in July of 1983. I think we have to wait and see when the program is actually in operation, when the effects are felt, not just the fact that you could point to a piece of legislation and say it's been passed into law. Wait until it takes effect.

In the last 6 months of 1980, during the campaign, the increase in our money supply, the flooding of paper money, was the highest it has ever been in our history—a 13-percent rate. With it came the interest rates that skyrocketed to 21½ percent, and we had 2 years back to back of double-digit inflation. When I took office, inflation was 12.4 percent.

Now, they pulled the string on the money market at about that same time, way below the normal needs. So, we have had a problem with high interest rates; they have hung on for too long.

From the very first, getting our cuts in government spending, the billions of dollars in reductions, was a top priority. The annual rate of increase in government spending was 17 percent in 1980. We cut that in half in the first year that we were here.

With that action, the interest rates did come down about 20 percent—not enough, but they did come down. But the unemployment had begun in 1979. We had a recession in 1980. And it continued along with this market dislocation and inflation. Unemployment and recession increase government costs quite considerably.

On the evidence of history, unemployment is the last thing that recovers when you're coming out of a recession. We think the indices are all there, that we are in the trough and have bottomed out in the recession. From the very first, we said that we could not hope for recovery until the last half of this year and we think in the last half we are going to see that recovery.

Q. How far is that recovery dependent on you breaking the budget stalemate? Do you think you'll have that stalemate ended by the time you go to Europe?

The President. I think it is very important. I think the money market is waiting to see if the Congress will—since we don't dominate or have the majority of both Houses—stay with its old-fashioned policies of artificial stimulation and quick fixes to cure things. All they ever did was temporarily reduce the fever, and then a couple of years later we had an even worse recession each time. But if the money markets see that Congress will do what it did last year and stay with us on our plan, making the further reductions that we're asking for in spending and stay with our tax program, I think that this will be the signal that will bring interest rates down.

There have been scattered signs in the money market that they want them down also. Those signs are in various areas—our automobile industry, which is hard hit, and mainly because of the interest rates. Our people buy cars, as I'm sure they do elsewhere, on the installment plan. They have to pay interest such as the mortgage on a house. This has hurt the automobile market. Here and there in the country, groups of local bankers have come together and put up sums of money specified for automobile loans at a rate of interest about 4 points below the market. As long as that money lasted, they would lend it at that lower interest rate for those who want to buy automobiles.

The upsurge in automobile buying was instant. We have also seen some construction companies that evidently were able to liquidate their inventory of newly built houses by pulling down the interest rates themselves.

We think that this indicates that the money market is ready and wants lower rates. But they have to be sure that we have inflation down for good—that it is not going to go zooming back up.

North Atlantic Alliance

Q. Mr. President, there is another summit looming, the NATO summit at Bonn. It is almost like an Alpine assault. You scale one summit after another. As one talks about NATO nowadays, immediately you are into this crisis talk. We have had a year behind us where things did not all go smoothly. Relations between America and the European allies were somewhat strained. Indeed, there are cries right now in Congress for a withdrawal of American troops to show the Europeans how upset you are and how unsatisfied with their performance. How much do you think is true about this crisis talk? Do you view the alliance in a similar way? And if so, where would you say one can improve the performance?

The President. I think it has improved. The recent meeting of ministers in Luxembourg indicates this. When we came into office, there were some strains in the alliance. And there was some ill-feeling on both sides. We set out to resolve that. I think we have done it. I believe in the North Atlantic Treaty Alliance. The fact that we have had 37 years of peace in Europe is the greatest proof of NATO's effectiveness.

We have no intention of withdrawing troops. We recognize our responsibility there. We recognize that those troops are not there, as some have said in congressional debate, because we are generously doing something for someone else. Our own security is involved. We are there because that NATO line is our first line of defense as well.

I do not think that there is any crisis at all. I think that NATO is on a better footing than it has been for several years. Where there could be and have been some problems at the southern flank of NATO, we are working on them and have come to some better agreements there.

Q. You mean Greece and Turkey?

The President. Yes.

Q. Can you envisage a likely scenario or a constellation of political crises where America would have to look beyond NATO, because it had global commitments, and where the importance for you of NATO would be diminished and you would have to go back to your NATO allies and say they will have to pick up more for their own defenses, because you have global commitments which require a greater deployment of American forces?

The President. So far, in spite of the economic problems that beset Europe as well as the United States, I think that their defense spending level has been consistent. And I have no quarrel with it at all.

As evidence of the improved situation, could I point out that we have had cooperation from our NATO allies with regard to the multinational force in the Sinai. Yet when we came in a year ago, we had not been able to find a single country that wanted to participate in that. Now they have.

I think that a subject for discussion with

NATO would be that we all, together, look at the Persian Gulf and the Middle East as an area of concern because of our energy dependence on this particular area.

But I think the allies are holding up their end very well. There is a better, sounder relationship than we have had in the past.

U.S.-Soviet Relations

Q. Part of the question of how well NATO is doing seems to be tied into the question of East-West relations in general. And we have heard that you now favor a summit with your Soviet counterpart. You used to tie this to the condition that some summit meetings should have a tangible outcome or result. Do you feel the time has come where such a meeting could accomplish something concrete?

The President. I would hope so, because I think that the Soviet Union also has some very real problems. Maybe it's time for someone to point out to them that their attitude of hostility, their worldwide aggression, their denial of human rights, whatever it's based on—whether it is a concern that they are threatened by the Western world or whether it is just determination to pursue the Marxist-Leninist theory of world domination—point out to them that the road to peace and giving up that aggressive attempt might be helpful to them with their own economic problems.

If there is any truth to the belief of some that the Soviet Union is motivated by fear of the West, that they think the West is going to threaten them—I don't think there's anyone in the West who believes that for one minute. They could have a guarantee of peace tomorrow if they themselves would follow the words of Demosthenes 2,000 years ago in the Athenian marketplace when he said, "What sane man would let another man's words rather than his deeds tell him who is at peace and who is at war with him." So far, it is the West that has to feel that the Soviet Union is at war with us on the basis of their great military buildup. I don't think they can point to anything from our side that indicates that.

What if back some years ago after World War II when our country was the only one with the nuclear weapon and really the only one left undamaged by war, in a position to do as we did, to go to the aid of our allies and even our former enemies; what if the situation had been reversed and the Soviet Union had had that bomb and not anyone in the West? If we had an aggressive intent wouldn't we have acted then when we could have done so easily? I think that's the greatest guarantee that it isn't the West that threatens the world with war.

Views on the Presidency

Q. Mr. President, may I ask you a question about the essence of the Presidency, because on paper you are the most powerful man on Earth.

The President. I keep telling my wife that. [*Laughter*]

Q. In practice you have, at least, some difficulties with heavy interest rates, even avoiding a war in the Falklands. What in your view are the limits of the Presidency? What can you really achieve?

The President. Sometimes I ask myself that question. There are limits, of course, great limits on the Presidency because the very nature of our government, and our Constitution has prescribed them to an extent beyond anything, I think, known in any other country.

Many countries have constitutions but most of them say in their constitution, "We, the government, grant you, the people, these things." Our Constitution says, "We, the people will allow government to do only these things that we permit in the Constitution." That's reflected in this supposed power of the Presidency.

The President can't dismiss a Congress, and, unlike the parliamentary system, you do not automatically have a majority in what constitutes our parliament, our Congress. In one of the two houses I have a majority of the opposition party. In the other house, the Senate, I have a bare majority of our party, and that's the first time that's been true for a Republican President in 25 years.

European Basing of Missiles

Q. Mr. President, in a few days you will be visiting the four major European partners of the United States in the Atlantic Alliance. Three of these, West Germany, Britain, and Italy, pledged to go ahead and modernize the nuclear weapons of NATO, a decision that was taken in December 1979. In fact, my country has already started work on our cruise missile bases. How do you assess the contribution of Italy and generally what's the prospect for productive negotiations in the area of intermediate nuclear forces?

The President. I must tell you we're very grateful to Italy for its forthrightness with which it stepped forward with regard to preparations for basing of those intermediate missiles.

We know why the missiles have been requested of us by NATO. There are 900 warheads on 300 SS–20 missiles the Soviets have targeted on all of Europe and nothing comparable to counter them. The NATO decision came for Pershing missiles and cruise missiles as a deterrent to prevent the Soviets continuing that monopoly. I know that politically in Europe this was a great problem in a number of countries because of the peace movement. Some people can't quite see that unilateral disarmament is not the road to peace. But Italy was very forthright in coming forth on the preparations. We appreciate it very much. I must also salute the West German, the British, and the Belgian Governments for their leadership on this critical issue. President Mitterrand also shares our deep concern over the Soviet buildup.

The very fact that countries of Western Europe have said they were willing to base these missiles and we were willing to provide them is why the Soviets agreed to go to Geneva to meet when I proposed—why don't we negotiate a total elimination of such weapons in Europe? We won't put in the Pershings and cruise missiles if they'll do away with the SS–20's. I don't think they would have ever come to negotiate had it not been for the imminence of that proposal—the fact that we are all going forward.

I would hope that before all those missiles are in place on our side, we would have negotiated an agreement in which they'll be unnecessary and the Soviets will remove theirs.

Strategic Arms Reduction

Q. Are you sanguine about the prospects of these negotiations? Can they be achieved apart and before, perhaps, a larger START agreement?

The President. We've completed our arrangements and proposals here to go forward with the START which has to do with the intercontinental missiles. Again, I believe that we're getting the evidence of willingness from the Soviet Union to at least negotiate, to talk, because we are going forward with the rebuilding of our own military and because our allies have shown their own determination on the intermediate weapons.

In recent years when we were letting our defenses crumble and were virtually unilaterally disarming, there was no incentive for the Soviet Union to meet us in any kind of arms reduction talks because they were engaged in the most massive buildup the world has ever seen at the same time we were apparently not willing to even try and keep pace. I think it was explained in a cartoon in one of our papers recently. It was Brezhnev speaking to a Russian general and he said, "I liked the arms race better when we were the only ones in it."

Q. Mr. President, your speech at Eureka on strategic arms, your administration's previous commitment to the concept of linkage, the concept whereby you link arms control negotiations, East-West trade, summitry with the Soviet Union with political progress by the Soviet Union on things like Poland and Afghanistan—this was conspicuous by its absence. Does this mean that you've abandoned the principle of linkage?

The President. No, not at all. And let me point out that in the many times that I've spoken of that concept, I have never particularly linked it to something as specific as arms reductions talks. But it was done in the context of the summit meetings that have taken place with regard to trade and to features of détente. I view it in that context but that doesn't rule it out even for arms reduction talks. I could answer it very briefly. Much of what is concerned in that linkage, some of the very subjects you talked about, are not things that you headline in the paper. The fact that you do not proclaim such subjects or put them up there in the newspaper does not mean that they can't be brought up when you're sitting at a table. I think sometimes that politically to publicly discuss things of that kind makes it politically impossible to get them, where maybe in what I've called quiet diplomacy you secure them.

East-West Relations

Q. I would like to ask you to expand a little bit on what you've said the Luxembourg meeting of NATO foreign ministers accomplished. There was a communique last week that says "a more constructive East-West relationship aiming at genuine détente through dialog and negotiations and mutually advantageous exchanges should be aimed at." Now, that's a very positive, sort of upbeat approach. Yet we know we're going to discuss the pipeline, we're going to discuss credits' curtailment and so forth. Where are the limits of cooperation with the East? Where do you think we've gone beyond them?

The President. If I understand the question correctly, I think it gets back to something I was saying earlier. We've tried ever since World War II to simply persuade the Soviets. There have been our own efforts at arms reduction—I think there have been 19 such efforts since World War II—but in other things we've simply tried to persuade. It seems to me that now, with the Soviets having the economic problems I mentioned, that this is an opportunity for us to suggest to them that there might be a better path than they've been taking. And if so, we'd like to explore that better path.

Q. Don't you think the pipeline deal is a good idea to suggest to them, that this could be done, as a deal?

The President. Our thought about the pipeline was that it was being given without the quid pro quo of some change in attitude and that there was a danger to Europe in making itself too dependent on the Soviet Union as an energy source. I think that is still something that Europe should look at and see if they want to be that dependent on someone who has 900 nuclear warheads aimed at them.

Q. Thank you, Mr. President.

Views on the Presidency

[*The President then volunteered further comment on the question of the power of the Presidency.*] [1]

The President. A man who once sat at that desk, Theodore Roosevelt, said that the Presidency is a bully pulpit—the pulpit where the clergyman preaches sermons. It is that. I think this office does offer an opportunity for mobilizing public sentiment behind worthwhile causes. To that extent, there is a power that should be used properly and for the right causes that goes with this office.

Q. Will you tell that to the Pope, who you'll be seeing in Rome?

The President. I'm looking forward to meeting him. He is an example of what so many people have always said about Christian and Judaic tradition, and that is that when really needed, God provides a man. And I think in Pope John Paul he did just that. I'm looking forward to the meeting. We can even both talk about our operations. [*Laughter*]

Spirit in America

Q. Do you think since you have been in office that the public spirit in this country has been enhanced? What do you think about the American public spirit?

The President. This goes to some of the questions that you were asking about whether we've done anything in the last year and a half. Before I took office in 1980, in polls and surveys that were being taken all the time, there was one question that was frequently asked. Many answered that they saw no hope in the future. Not only were things bad, but they did not see any signs they were going to get better.

Now we're in this deep recession and the same question is being asked. Many American people are saying, yes, things are bad, but we expect them to get better; we know they're going to get better, and they talk about next year and the year beyond, that they will be better. It's a turnaround of what the public attitude was, just a year and a half ago.

Note: Interviewing the President in the Oval Office were Marc Ullman of Paris

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[1] *White House clarification.*

Match, Nicholas Ashford of the Times of London, Thomas Kielinger of Die Welt, and Marino de Medici of Il Tempo.

The transcript of the interview was released by the Office of the Press Secretary on May 27. As printed above, the item follows that transcript.

Nomination of Frank J. Donatelli To Be a Member of the National Corporation for Housing Partnerships

May 27, 1982

The President today announced his intention to nominate Frank J. Donatelli to be a member of the National Corporation for Housing Partnerships for a term expiring October 27, 1984. He would succeed Herman J. Russell.

Mr. Donatelli is currently an attorney with the firm of Patton, Boggs, and Blow, in Washington, D.C. He was regional political director of the Reagan-Bush Committee from February 1979 to November 1980. He was campaign manager for Jim Baker for attorney general of Texas from January 1978 to December 1978. Previously he was executive director of the Young Americans for Freedom, Inc.

He graduated from the University of Pittsburgh (B.A., 1971) and American University, Washington College of Law (J.D., 1976). He is married and resides in Alexandria, Va. He was born July 4, 1949.

Nomination of Fowler C. West To Be a Commissioner of the Commodity Futures Trading Commission

May 27, 1982

The President today announced his intention to nominate Fowler C. West to be a Commissioner of the Commodity Futures Trading Commission for the term expiring April 13, 1987. He would succeed David Gay Gartner.

Mr. West has been staff director of the House Committee on Agriculture since 1973. He was staff consultant, House Committee on Agriculture, in 1971–1973. He served as administrative assistant to Congressman Poage in 1969–1971 and as a member of his staff in 1963–1965. He was on the staff of the House Committee on Agriculture in 1965–1969.

He graduated from Baylor University (B.A., 1963) and George Washington University (M.A., 1980). He is married, has two children, and resides in Alexandria, Va. He was born July 6, 1940.

Appointment of 17 Members of the Advisory Board of the National Institute of Justice

May 27, 1982

The President today announced his intention to appoint the following individuals to be members of the National Institute of Justice Advisory Board, Department of Justice.

Donald Baldwin is an independent government relations/public affairs consultant and serves as executive director of the National Law Enforcement Council in Washington, D.C. He resides in Alexandria, Va., and was born May 18, 1929. He will succeed David Fogel for a term expiring November 6, 1982.

Pierce R. Brooks is a law enforcement consultant and author. He is a former chief of police in Eugene, Oreg. He resides in Vida, Oreg., and was born May 31, 1922. He will succeed Shirley S. Abramson for a term expiring November 6, 1983.

James Duke Cameron has been serving as chief justice of the Supreme Court of Arizona since 1970. He resides in Phoenix, Ariz., and was born March 25, 1925. He will succeed Alan I. Klineman for a term expiring November 6, 1984.

Frank Carrington is executive director of the Victim's Assistance Legal Organization (VALOR), formerly Crime Victim's Legal Advocacy Institute, Inc. He will succeed James Cloudis Smith for a term expiring November 6, 1982.

Donald L. Collins has been in the private practice of law for the past 23 years. He was a Member of Congress in Alabama in 1962–1966. He resides in Mountain Brook, Ala., and was born September 8, 1929. He will succeed William D. Leeke for a term expiring November 6, 1983.

Harold Daitch is a partner with the firm of Leon, Weill and Mahony in New York City. He resides in Elmont, N.Y., and was born June 1, 1935. He will succeed Lorenzo E. Patino for a term expiring November 6, 1982.

Gavin de Becker is a security and safety consultant to public figures and public organizations. He resides in Las Vegas, Nev., and was born October 26, 1954. He will succeed F. T. Davis, Jr., for a term expiring November 6, 1982.

George D. Haimbaugh, Jr., is serving as David W. Robinson Professor of Law at the University of South Carolina School of Law. He resides in Columbia, S.C., and was born November 21, 1916. He will succeed Patrick V. Murphy for a term expiring November 6, 1983.

Samuel Hirsch is a member of the New York State Assembly-48th Assembly District and a self employed attorney. He resides in Brooklyn, N.Y., and was born March 19, 1948. He will succeed Carlos Humberto Arce for a term expiring November 6, 1984.

Richard L. Jorandby has been serving as public defender for the 15th judicial circuit of Florida since 1973. He resides in West Palm Beach, Fla., and was born June 19, 1938. He will succeed Stanley Harwook for a term expiring November 6, 1984.

Kenneth L. Khachigian is a public affairs consultant in San Clemente, Calif. He was a Special Consultant to the President from January until May 1981. He will succeed Don Gottfredson for a term expiring November 6, 1982.

Mitch McConnell has been serving as county judge/executive for Jefferson County, Ky., since 1977. He resides in Louisville and was born February 20, 1942. He will succeed Hubert Williams for a term expiring November 6, 1984.

Frank K. Richardson is serving as associate judge for the Supreme Court of California. He resides in Sacramento, Calif., and was born February 13, 1914. He will succeed Richard Moreno for a term expiring January 11, 1985.

Dean Wm. Roach is a commissioner on the Pennsylvania Crime Commission and is owner of St. David's Inn in St. David's, Pa. He resides in Wayne, Pa., and was born April 2, 1931. He will succeed Otto Beatty, Jr., for a term ending November 6, 1982.

Bishop L. Robinson is deputy commissioner/operations bureau for the Baltimore Police Department. He resides in Baltimore, Md., and was born January 16, 1927. He will succeed Richard Arrington for a term expiring January 11, 1983.

James B. Roche has been with the Massachusetts State police force for over 13 years. He resides in Brighton, Mass., and was born August 14, 1946. He will succeed Gordon A. Martin, Jr., for a term expiring November 6, 1984.

Robert Wientzen is manager of the field advertising department for Procter & Gamble in Cincinnati, Ohio, where he resides. He was born August 16, 1939. He will succeed Terry Q. Alarcon for a term expiring November 6, 1984.

Reappointment of Dayton L. Alverson as a Commissioner of the United States Section of the International North Pacific Fisheries Commission

May 27, 1982

The President today announced his intention to reappoint Dayton L. Alverson to be a Commissioner of the United States Section of the International North Pacific Fisheries Commission for a term expiring June 4, 1986.

Dr. Alverson is managing partner of National Resources Consultants in Seattle, Wash. In addition, he is a professor of fisheries and marine studies at the University of Washington in Seattle. He was special assistant to the assistant administrator for fisheries, National Marine Fisheries Service, Seattle, in 1979–1980. He was director, Northwest and Alaska Fisheries Center, National Marine Fisheries Service, Seattle, in 1971–1979. He was an adviser to the U.S. Department of State during negotiations on the International North Pacific Fisheries Commission.

He graduated from the University of Washington (B.S., 1950; Ph. D., 1967). He is married, has two children, and resides in Seattle, Wash. He was born October 7, 1924.

Appointment of Paul T. Shirley as a Member of the Board of Directors of Federal Prison Industries, Incorporated

May 27, 1982

The President today announced his intention to appoint Paul T. Shirley to be a member of the Board of Directors, Federal Prison Industries, Incorporated, (Industry Representative). He would succeed Daryl F. Grisham.

Mr. Shirley is president of Santa Cruz Ambulance Service, Inc., and Coast Counties Medical, Inc. He has owned this business since 1963. He was a management trainee, Federal Bureau of Prisons, Washington, D.C., in 1962–1963. He was a member of the State of California Narcotic Addict Evaluation Authority (Parole Board) in 1971–1974.

He attended Pasadena City College (1957–1958) and San Jose State College (1958–1959). He is married, has two children, and resides in Santa Cruz, Calif. He was born January 4, 1940.

Remarks in Santa Barbara, California, at the Annual Meeting of the Legislators of the Mexico-United States Interparliamentary Conference

May 28, 1982

Thank you very much. Senator Percy, I thank you very much, my fellow Illinoisan—[*laughter*]—but you'd find how lovely it was to be a transplant to California, yourself, if you wanted to try that now. [*Laughter*]

I'm temporarily down here, and to show my simpatico with all of you, I am looking forward to returning to Rancho del Cielo. We can't helicopter because the California sunshine is shut out today. But awaiting me up there is a wonderful gift from south of the border, from President Portillo, an Anglo-Arab horse that's waiting for me, and I'll be riding as soon as I get back up there on him.

But Senators, the Representatives, the delegates, excellencies, ambassadors, you ladies and gentlemen: I've always had a great regret that in that little school in Illinois, where I was compelled to study for a couple of years a foreign language, they did not offer Spanish. I find a great beauty in it and a great desire in that language. And my desire to speak in that was heightened several years ago when I was Governor of California, and I went on a mission to Mexico City representing the President of the United States.

I found myself addressing an audience there, and then there's the thing that any speaker hates more than anything else—I sat down to very unenthusiastic and scattered applause. The next speaker had only heightened my pain when he, speaking in Spanish, was being interrupted frequently with the warmest kind of applause. And trying to hide my embarrassment, I clapped louder and longer than anyone else and started before anyone else each time, 'till our then-ambassador leaned over and said to me, "I wouldn't do that if I were you; he's interpreting your speech." [*Laughter*]

This distinguished series of conferences began 21 years ago in the magnificent city of Guadalajara, Mexico. And you've often enticed each other to meet outside of the capital cities, and I applaud that practice. I'm especially pleased that this year's conference is being held in my now home State of California, in this beautiful place by the Pacific Ocean. Santa Barbara is very much a part of the historic relationship between our two peoples.

As you know, we value, as the Senator said, our candid and friendly relations with our closest neighbors. And I appreciate the efforts that you're making in this conference to build upon our good will.

I have the greatest admiration and respect for President López Portillo who, I understand, addressed this conference during its meeting last year at a similarly beautiful location at Manzanillo, Mexico—M-E-H-I-C-O—I've learned that much. [*Laughter*]

During my 16 months in office, we've developed a rapport fitting good neighbors and good friends. President López Portillo and I have met a total of four times last year. Mexican and United States Cabinet members have exchanged frequent visits, and Secretaries Haig and Castañeda are on such cordial terms that they call each other "Al" and "Jorge," even when debating fine points on our respective approaches to Central America's problems. You know, in the world of diplomacy, most diplomats forget they have first names.

And while occasionally there are differences in approach between our two countries, the honest good will which exists between us has ensured the maintenance of dialog and created new opportunities for cooperation. After all, we strive to achieve the same goal: a free and prosperous America—North, South, and Central.

Mexico, along with Venezuela, took the lead in furthering economic and social development among the Caribbean Basin States. Your use of oil has demonstrated a tangible commitment to this end. We're pleased to be working together with you and other nations in this area toward a more prosperous and politically stable hemisphere.

Much has been accomplished on our agenda of bilateral issues. Last June, President López Portillo and I set up two groups—a binational commission, headed by our two Foreign Secretaries, and a cabinet-level joint trade commission. No miracle cures were expected on the issues which these two bodies have addressed, but their deliberations have helped us to focus more clearly on the issues and the opportunities before us.

Apart from some technical impediments being addressed in the Joint Trade Commission, trade moves largely unhindered. In fact, it is at an all-time high. Mexico now ranks as the United States third largest trading partner; total two-way trade should reach $35 billion in 1982.

Ongoing cooperation continues in many areas, ranging from our joint efforts in science and technology and cultural exchange, to urban development planning and developmental [environmental][1] cooperation along our 2,000-mile-long unarmed border.

As is inevitable between two close neighbors, there are problems to be worked out. But by dealing with each other in good faith, by working together and consulting on these problems, we have demonstrated that they are opportunities as much as they are obstacles.

We share an understanding of the enormous benefits that we can derive from a positive bilateral relationship. I can honestly tell you that relations between the United States and Mexico are good. The friendship between our peoples is excellent. Our national legislatures have a significant role to play in our relations. I look forward to working with all of you for the benefit of both our peoples and for the peace and progress of this hemisphere.

I know the bloodshed that is taking place around the Falkland Islands is of deep concern to every nation in this hemisphere. We understand and are sensitive to Latin American sympathies in this crisis, something which made our own decisions more painful and difficult. I hope you will also, as neighbors and friends, do your utmost to understand the importance we attach to the principle that armed force should not be used to assert claims in an international dispute, as contained in Resolution 502 of the U.N. Security Council.

Let's make certain that emotions don't blur the truth of how close we really are during this tragic conflict. We all did our best to prevent bloodshed. Now that hostilities have started, we are united in the desire for a negotiated settlement and a peaceful resolution of the dispute under the guidelines set down in U.N. Security Council Resolution 502.

For our part, we'll continue to push for the resumption of negotiations. The essential issues of sovereignty must be addressed, but this is a matter for the British and the Argentinians to decide for themselves, peacefully.

In times like these, meetings like this one of today are even more significant because they serve to reaffirm the common goals and the shared values that bind us together as friends and neighbors.

I wish you all the best in your deliberations here in Santa Barbara. Bless you all in what you're doing. Thank you for picking this place. Thank you.

Note: The President spoke at 10:20 a.m. in the Loggia Ballroom at the Biltmore Hotel. Senator Charles H. Percy was the U.S. Senate delegation chairman.

Question-and-Answer Session With Reporters in Santa Barbara, California, on Domestic and Foreign Policy Issues

May 28, 1982

Q. Well, Mr. President, what are you going to do about the budget?

Q. Is that what we're supposed to ask? [*Laughter*]

Q. Sir, the House won't pass any budget, and the Democrats say it's because you're too stubborn.

The President. Because I'm too stubborn? I submitted a budget in February which the House refused to even consider and yet it's called "the President's budget."

We spent, then, 4 months on that budget. We spent 4 weeks or more trying to negotiate a bipartisan agreement. The biggest dream I had was that for once maybe the leadership, both Houses of the Congress and the President, could come before the American people like this and say, "Together we have come forth with a budget which we think will help in the economic situation that we're in today."

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[1] *White House correction.*

Q. Well, why didn't they?

The President. They refused to negotiate in any way, as far as I was concerned. I sat for 3 hours, and there was never one effort at finding agreement any place on any one of the subjects.

Q. Who do you blame for this, Mr. President? Is it Tip O'Neill?

The President. Well, I have to say that the leadership of the House has made it plain. We're halfway there. The Senate did adopt a budget that contained, probably, the bulk of the features that we had asked for in our worked-on budget. But look at the comparison.

We worked for 4 months in compliance with the law to present the President's budget to the Congress. And they spent 6 days going at not our budget but at a half a dozen or more budgets and 68 amendments and finally came up with nothing. And I think that it is an irresponsible action that the American people will condemn, and I think the American people are demanding a budget. It is the one essential that is needed to get interest rates down and get us on the road to recovery.

Q. Are you still willing to go the extra mile, as you said the other day?

The President. I'd like to see them go the first mile.

Q. What can you do so that the Republicans are no longer voting against you as they just did?

The President. Well, there was a little handful that voted against me. But I'd like to point out the budget I supported, the Latta budget that had been worked out by the—in cooperation with responsible Democrats and the leadership, minority leadership, the Republican leadership, that plus even the Rousselot balance-the-budget measure that he proposed—both of those received more votes than any of the Democratic proposals in this recent session.

Q. Finally, sir, about 65 Republicans deserted you, inserting an amendment which would have reduced defense spending, recouped the Medicaid spending. That's a repudiation of you, is it not?

The President. No, I don't think so. But I will tell you one thing that I think has been made very clear, and I've been aware of since before I became President: The United States Government's program for presenting a budget, or arriving at a budget, is about the most irresponsible, Mickey Mouse arrangement that any governmental body has ever practiced. It's called the President's budget, and yet there is nothing binding about it. It is submitted to the Congress, and they don't even have to consider it. Then, when they finally come up with a budget resolution—which the President has no ability to veto if he isn't approving of it—it is not binding on them. And then they go back to the committee process through the year of introducing appropriation measures which will or will not pass and which will or will not be signed by the President.

Q. Sir, you want a budget that you can take overseas and then point out to the others that you're going to reduce the deficit. What are you going to do to get it?

The President. Well, now they have to come back into their budget committee and try again to come forth with something they think their colleagues on the floor will pass.

Q. Aren't you going to make a suggestion to them?

The President. I could suggest they take another look at the February budget. It was better than anything they were considering on the floor.

Q. What about the supplemental appropriations? If they come forward with the housing bail-out still on it, would you have to veto it?

The President. Well, I have taken a general position that I will veto attempts to bust the budget. But I also, as far as specifics are concerned, if anything is passed I'm going to fall back on something I observed for 8 years as Governor: I will wait until it is on my desk before I announce——

Q. But Bill's [Bill Plante, CBS News] question is a good one. You're going overseas and you're not going to be able to tell the allies that you have the right signal.

The President. Yes, I'll hope to change the subject because I wouldn't want to tell them that the Congress acted irresponsibly.

Q. Mr. President, could we ask you a little bit about the Falkland Islands? There are reports that the British, once they have taken the Falkland Islands, would like us to establish a military air base on the Falklands. How do you respond to that? Do you think it's a good idea for the United States to have that kind of presence?

The President. I don't know of any such proposal. I do know that in a proposal being considered for a cease-fire, that there has been a suggestion of a neutral peace-keeping force there while both sides withdraw and continue to negotiate, of which one of the participants would be the United States, just as we're one of the participants in the Sinai border force now.

Q. Do you favor that?

The President. Yes. We've volunteered we would be very happy to do anything we could to help in that way to stop the killing and to get at a peaceful solution.

Q. Would you like to see a cease-fire in place right now?

The President. I'd like to see an end to the killing; in fact, I wish it had never had to start.

Q. Well, now the OAS is already preparing to vote against us again, apparently, and say that we should withdraw our support from England.

The President. The only thing that we have to face here is the issue, and the issue is not really those lonely little islands down there. The issue is whether we can allow armed aggression to succeed with regard to such territorial claims. There are 50 places in the world right now where, if this succeeds, could be opened to the same thing happening. And the armed aggression, I'm sorry, did start by the action of one of our neighbors here in the Americas. That principle must not be allowed to fail.

Deputy Press Secretary Speakes. Thank you.

Q. You once said you thought the Democrats just wanted an issue for November. Do you think that's what they were doing yesterday, just trying to create an issue?

The President. Let me just repeat, Sam [Sam Donaldson, ABC News], I think it was irresponsible. And I think that some real, solid thinking should be given now to a budgetary process that befits the great government of a great nation.

Mr. Speakes. Thank you.

Q. Mr. President, what happens to the economy while the budget is dragging on like this?

The President. Well, I think there are signs, indices that the economy is recovering, that it has bottomed out. I think some of them are due for release today, but I've come down from the mountaintop; I haven't seen them as yet. Maybe I'll get to them before the day is over.

But you only have to look at inflation—where it has come down to. You have to look at the drop in the interest rates, and there's been some, again, instability of dropping with those a little more just recently, the last few days. But I think that the thing that now is delaying further definite recovery is the action of the House with regard to the budget.

Mr. Speakes. Thank you.

Q. How is it up there in the fog? What do you do up in the fog up there?

The President. Oh, well, it's lifted now. It's above us.

Q. Are you going riding today?

The President. You bet, yes. Did yesterday, too.

Q. Don't fall off. [*Laughter*]

The President. Thank you, Sam. I needed that. [*Laughter*]

Q. Thank you.

Note: The exchange began at approximately 10:45 a.m. as the President was leaving the Biltmore Hotel, after addressing the Mexico-United States Interparliamentary Conference. Following the session with reporters, the President returned to Rancho del Cielo, his ranch near Santa Barbara.

Designation of Dominick L. DiCarlo as United States Representative on the United Nations Commission on Narcotic Drugs

May 28, 1982

The President today announced his intention to designate Dominick L. DiCarlo as Representative of the United States of America on the Commission on Narcotic Drugs of the Economic and Social Council of the United Nations. He would succeed K. Mathea Falco.

Mr. DiCarlo is presently Assistant Secretary of State for International Narcotic Matters. He served as New York State assemblyman in 1965–1981 and was deputy minority leader in 1975–1978. He was a self-employed attorney, beginning in 1963. He was assistant professor of Long Island University in 1974–1975. He served as vice chairman of the New York Joint Legislative Committee on Crime in 1969–1970. He was counsel to minority leader of the New York City Council in 1962–1964 and was assistant United States attorney with the Department of Justice in Brooklyn, N.Y., in 1959–1962.

He graduated from St. John's College (B.A., 1950), St. John's University School of Law (LL.B., 1953), and New York University School of Law (LL.M., 1957). He is married, has four children, and resides in Brooklyn, N.Y. He was born March 11, 1928.

Nomination of 10 Members of the National Council on Educational Research, and Designation of Chairman

May 28, 1982

The President today announced his intention to nominate the following individuals to be members of the National Council on Educational Research. The President also announced his intention to designate George Charles Roche III to be Chairman, upon confirmation.

George Charles Roche III has been president of Hillsdale College, Hillsdale, Mich., since 1971. He resides in Hillsdale and was born May 16, 1935. He would succeed Harold Howe II for a term expiring August 30, 1983.

Donald Barr is headmaster of the Hackley School in Tarrytown, N.Y. He resides in Colebrook, Conn., and was born August 2, 1921. He would succeed Helen S. Astin for the remainder of the term expiring September 30, 1982, and will be reappointed for the term expiring August 30, 1985.

M. Blouke Carus is president and chief executive officer of Carus Corp. He is also president and chief executive officer of Carus Chemical Co. and president and publisher of Open Court Publishing Co. He resides in Peru, Ill., and was born June 15, 1927. He would succeed Barbara S. Uehling for a term expiring September 30, 1984.

J. Floyd Hall is superintendent, the school district of Greenville County, Greenville, S.C. He resides in Greenville and was born August 11, 1925. He would succeed Alonzo A. Crim for a term expiring September 30, 1983.

Donna Helene Hearne is an insurance agent and broker. She resides in St. Louis, Mo., and was born April 16, 1940. She would succeed Catharine C. Stimpson for a term expiring September 30, 1983.

Howard L. Hurwitz is president of School Management Co. in Jamaica, N.Y., where he resides. He was born June 10, 1916. He would succeed Bernard C. Watson for a term expiring September 30, 1984.

Onalee McGraw is an education consultant to the Heritage Foundation. She resides in McLean, Va., and was born October 4, 1939. She would succeed Jon L. Harkness for a term expiring September 30, 1984.

Penny Pullen is a member of the American Legislative Exchange Council and is chairman of the Council's Task Force on Education. She resides in Park Ridge, Ill., and was born March 2, 1947. She would succeed Tomas A. Arciniega for a term expiring September 30, 1984.

Carl W. Salser is executive director of Educational Research Associates and National Book Co. in Portland, Oreg. He resides in Lake Oswego, Oreg., and was born August 16, 1921. He would succeed Maria B. Cerda for a term expiring September 30, 1983.

Elaine Y. Schadler was district supervisor, National Assessment of Educational Progress Project, conducted by Research Triangle Institute (Research Triangle Park, N.C.) in 1969–1978. She resides in Bryn Mawr, Pa., and was born December 1, 1944. She would succeed Harold L. Enarson for a term expiring September 30, 1984.

Radio Address to the Nation on the Federal Budget and the Western Alliance

May 29, 1982

My fellow Americans:

This has been a pretty hectic week and, I'm sorry to say, a bad one for all those Americans who are suffering because of the recession and the high interest rates.

In contrast to the Senate, which has passed a responsible budget resolution calling for reductions in the projected deficits for the next 3 years of $358 billion, the majority leadership of the House of Representatives preferred to play politics. In a wild 5 or 6 days, they battled over which of half a dozen or so budgets we should have, plus 68 amendments, and then came up empty. They will now recess for a vacation and come back to start all over again.

The President is required to submit a budget. Indeed, the budget is referred to as "the President's budget." The one we submitted in February was not one of those the House debated; yet, it was a result of 4 months work by the Office of Management and Budget, the entire Cabinet and their staffs, and the executive staff. The Congress simply ignored it. Nothing in our Federal Government is more in need of an overhaul than the ridiculous procedure we have misnamed "the budget process."

Believing that a budget resolution calling for substantial savings could have an effect on the now unnecessarily high interest rates, I had hoped for cooperation with the Democratic leadership of the House. I thought if we could appear together before the cameras and announce that we had arrived at agreement on a deficit-reducing budget, it would serve notice to the money markets that we were united in an effort to keep inflation and, thus, interest rates down.

A number of responsible Democrat Congressmen did share that hope. And with their help, we'll keep on fighting to get a responsible budget which protects your tax cuts and provides for a sound defense program.

Next week, I leave for Europe for the first time as President. Exactly 1 week from today, while I'm in France, we'll commemorate the 35th anniversary of the Marshall plan, one of the greatest humanitarian ventures ever undertaken. America helped to rebuild the shattered economies of Western Europe and create a sense of community among Western nations which remains vital today.

We must recognize that, whether in defense, political, or economic affairs, building successful foreign policy begins at home. It's for that reason we put in place an economic recovery program that, at long last, addresses the problems and abuses that have been undermining our economic health for decades.

We're starting to get some encouraging news from those economic statistics that pour out of Washington. Interest rates are heading down—not enough, but it's a start. Inflation is substantially down, and real consumer incomes are rising. And on July 1st, thanks to the second installment of your tax cut, Uncle Sam's bite on your paycheck will be smaller, leaving you more to spend and save as you see fit.

Serious problems remain, such as the need for a sound budget and, above all, unemployment, here and in Europe where it's at record levels. But we're making economic headway, and our common security requires that we continue to work together as friends and allies. That will be my main theme at the seven-nation economic summit in France next week.

But prosperity has little meaning unless we also act to maintain our freedom and protect the peace. The remarkable strength and success of the Western Alliance in preserving the peace for over three decades lies in the fact that we're a voluntary grouping of free peoples, soon to be joined by still another new democracy—Spain. The overriding success of NATO is that for almost 40 years, Europe has been at peace.

To lay the basis for another generation of peace and prosperity, I'll meet with my 15 NATO colleagues in Bonn, the capital of the Federal Republic of Germany.

Our allies know that America has both the will and the resources to defend itself and to live up to its commitments. Last November 18th, we offered to eliminate all of our Pershing II and ground-launched cruise missiles if the Soviets eliminate their SS-4, 5, and 20 missiles, now targeted on our allies. This offer has the strong support of our NATO allies and has been spelled out in detail at the U.S.-Soviet negotiating table in Geneva.

In my recent speech at Eureka College, I presented a proposal for substantial reductions in strategic arms. We and our allies hope the Soviets will respond positively, and we're prepared to begin START—that's Strategic Arms Reduction Talks—immediately. But arms control can't happen in a vacuum. Over the past decade, the Soviet Union has engaged in a pattern of direct and indirect aggression and suppression in places as varied as Afghanistan, Poland, and Latin America, and that's made it harder for progress in arms control.

We must always remember that, in dealing with the condition in the world today, Western solidarity and defense preparedness are essential to meaningful arms control negotiations. That's the message I'll take with me—the message of a strong, free alliance, working together to protect its freedom and seek meaningful negotiations to build a more peaceful world.

I'm optimistic for the future of our partnerships and the future of freedom. The values for which we and our fellow democracies stand are of enduring and universal worth. Ours is a mission for peace and freedom through Western unity and strength, and with your prayers, it will succeed.

Next Saturday, I'll be talking to you from Europe. Thank you, and God bless you.

Note: The President spoke at 9:06 a.m. from Rancho del Cielo, his ranch near Santa Barbara, Calif.

Remarks at Memorial Day Ceremonies at Arlington National Cemetery

May 31, 1982

Mr. President, General, the distinguished guests here with us today, my fellow citizens:

In America's cities and towns today, flags will be placed on graves in cemeteries; public officials will speak of the sacrifice and the valor of those whose memory we honor.

In 1863, when he dedicated a small cemetery in Pennsylvania marking a terrible collision between the armies of North and South, Abraham Lincoln noted the swift obscurity of such speeches. Well, we know now that Lincoln was wrong about that particular occasion. His remarks commemorating those who gave their "last full measure of devotion" were long remembered. But since that moment at Gettysburg, few other such addresses have become part of our national heritage—not because of the inadequacy of the speakers, but because of the inadequacy of words.

I have no illusions about what little I can add now to the silent testimony of those who gave their lives willingly for their country. Words are even more feeble on this Memorial Day, for the sight before us is that of a strong and good nation that stands in silence and remembers those who were loved and who, in return, loved their countrymen enough to die for them.

Yet, we must try to honor them—not for their sakes alone, but for our own. And if words cannot repay the debt we owe these men, surely with our actions we must strive to keep faith with them and with the vision that led them to battle and to final sacrifice.

Our first obligation to them and ourselves is plain enough: The United States and the freedom for which it stands, the freedom for which they died, must endure and prosper. Their lives remind us that freedom is not bought cheaply. It has a cost; it imposes a burden. And just as they whom we commemorate were willing to sacrifice, so too must we—in a less final, less heroic way—be willing to give of ourselves.

It is this, beyond the controversy and the congressional debate, beyond the blizzard of budget numbers and the complexity of modern weapons systems, that motivates us in our search for security and peace. War will not come again, other young men will not have to die, if we will speak honestly of the dangers that confront us and remain strong enough to meet those dangers.

It's not just strength or courage that we need, but understanding and a measure of wisdom as well. We must understand enough about our world to see the value of our alliances. We must be wise enough about ourselves to listen to our allies, to work with them, to build and strengthen the bonds between us.

Our understanding must also extend to potential adversaries. We must strive to speak of them not belligerently, but firmly and frankly. And that's why we must never fail to note, as frequently as necessary, the wide gulf between our codes of morality. And that's why we must never hesitate to acknowledge the irrefutable difference between our view of man as master of the state and their view of man as servant of the state. Nor must we ever underestimate the seriousness of their aspirations to global expansion. The risk is the very freedom that has been so dearly won.

It is this honesty of mind that can open paths to peace, that can lead to fruitful negotiation, that can build a foundation upon which treaties between our nations can stand and last—treaties that can someday bring about a reduction in the terrible arms of destruction, arms that threaten us with war even more terrible than those that have taken the lives of the Americans we honor today.

In the quest for peace, the United States has proposed to the Soviet Union that we reduce the threat of nuclear weapons by negotiating a stable balance at far lower levels of strategic forces. This is a fitting occasion to announce that START, as we call it, strategic arms reductions, that the negotiations between our country and the Soviet Union will begin on the 29th of June.

As for existing strategic arms agreements, we will refrain from actions which undercut them so long as the Soviet Union shows equal restraint. With good will and dedication on both sides, I pray that we will achieve a safer world.

Our goal is peace. We can gain that peace by strengthening our alliances, by speaking candidly of the dangers before us, by assuring potential adversaries of our seriousness, by actively pursuing every chance of honest and fruitful negotiation.

It is with these goals in mind that I will depart Wednesday for Europe, and it's altogether fitting that we have this moment to reflect on the price of freedom and those who have so willingly paid it. For however important the matters of state before us this next week, they must not disturb the solemnity of this occasion. Nor must they dilute our sense of reverence and the silent gratitude we hold for those who are buried here.

The willingness of some to give their lives so that others might live never fails to evoke in us a sense of wonder and mystery. One gets that feeling here on this hallowed ground, and I have known that same poignant feeling as I looked out across the rows of white crosses and Stars of David in

Europe, in the Philippines, and the military cemeteries here in our own land. Each one marks the resting place of an American hero and, in my lifetime, the heroes of World War I, the Doughboys, the GI's of World War II or Korea or Vietnam. They span several generations of young Americans, all different and yet all alike, like the markers above their resting places, all alike in a truly meaningful way.

Winston Churchill said of those he knew in World War II they seemed to be the only young men who could laugh and fight at the same time. A great general in that war called them our secret weapon, "just the best darn kids in the world." Each died for a cause he considered more important than his own life. Well, they didn't volunteer to die; they volunteered to defend values for which men have always been willing to die if need be, the values which make up what we call civilization. And how they must have wished, in all the ugliness that war brings, that no other generation of young men to follow would have to undergo that same experience.

As we honor their memory today, let us pledge that their lives, their sacrifices, their valor shall be justified and remembered for as long as God gives life to this nation. And let us also pledge to do our utmost to carry out what must have been their wish: that no other generation of young men will every have to share their experiences and repeat their sacrifice.

Earlier today, with the music that we have heard and that of our National Anthem—I can't claim to know the words of all the national anthems in the world, but I don't know of any other that ends with a question and a challenge as ours does: Does that flag still wave o'er the land of the free and the home of the brave? That is what we must all ask.

Thank you.

Note: The President spoke at 11:35 a.m. at the cemetery in Arlington, Va. Prior to his remarks, he placed a wreath at the Tomb of the Unknown Soldiers.

Joint U.S.-U.S.S.R. Announcement on the Strategic Arms Reduction Talks

May 31, 1982

The United States of America and the Union of Soviet Socialist Republics have agreed to begin formal negotiations on the limitation and reduction of strategic arms on June 29, 1982, in Geneva, Switzerland. The U.S. delegation will be led by Ambassador Edward Rowny and the Soviet delegation will be led by Ambassador V. P. Karpov. Both sides attach great importance to these negotiations.

Nomination of Robert H. Phinny To Be United States Ambassador to Swaziland

June 1, 1982

The President today announced his intention to nominate Robert H. Phinny to be Ambassador to the Kingdom of Swaziland. He would succeed Richard Cavins Matheron.

Since 1957 Mr. Phinny has been self-employed with the R. H. Phinny Co. (investments and business interests) in Fremont, Mich. He was with Gerber Products Co., in Fremont, Mich., in 1949–1957 as salesman and then assistant to the director of public relations. He served in the United States

Navy as lieutenant in 1942–1945.

Mr. Phinny graduated from Babson College, Mass. (B.S., 1948). He is married, has four children, and resides in Palm Springs, Calif. He was born March 15, 1921.

Appointment of William J. Kilberg as a Member of the President's Commission on White House Fellowships
June 1, 1982

The President today announced his intention to appoint William J. Kilberg to be a member of the President's Commission on White House Fellowships.

He is presently a partner in the law firm of Gibson, Dunn & Crutcher in Washington, D.C. He was a partner in the firm of Breed, Abbott & Morgan in 1977–1980. He was Solicitor of Labor, U.S. Department of Labor, in 1973–1977. Previously he was Associate Solicitor for Labor Relations and Civil Rights at the U.S. Department of Labor. He was General Counsel for the Federal Mediation and Conciliation Service in 1970–1971.

Mr. Kilberg graduated from Cornell University (B.S., 1966) and Harvard Law School (J.D., 1969). He is married, has four children, and resides in McLean, Va. He was born June 12, 1946.

Message to the House of Representatives Returning Without Approval the Southern Arizona Water Rights Settlement Bill
June 1, 1982

To the House of Representatives:

I return herewith, without my approval, H.R. 5118, the proposed "Southern Arizona Water Rights Settlement Act of 1982." I take this action with sincere disappointment. I am well aware of the hard work of the Arizona Congressional leaders that went into the development and passage of this legislation. I also understand their desire to resolve the litigation that has hung over the head of the City of Tucson and the many private parties involved for the past seven years.

I strongly believe that the most appropriate means of resolving Indian water rights disputes is through negotiated settlement and legislation if it is needed to implement any such settlement. However, H.R. 5118 is a negotiated settlement with a serious flaw. The United States Government was never a party to the negotiations that led to the development of this proposal. This settlement was negotiated among the Tribe, the City of Tucson, the State of Arizona, the affected commercial interests and other defendants with assistance from the Arizona Congressional delegation. The result of this negotiation was that the United States Government, which was absent from the negotiation table, would bear almost the entire financial burden of the settlement at a potential initial cost of $112 million and a potential annual cost of approximately $5 million.

I cannot support this resolution of litigation on behalf of the Papago Tribe by the United States Government. I can only in good conscience approve legislation intended to implement a settlement if the United States has been a major party in the negotiations and if the contribution by the defendants in the litigation involved is significant.

I pledge the full cooperation of my Administration to the States and local governments that are facing the difficult task of equitably resolving Indian water rights suits. I cannot, however, pledge the Federal Treasury as a panacea for this problem.

H.R. 5118 is a multi-million dollar bailout of local public and commercial interests at the expense of Federal taxpayers throughout the nation. It is a prime example of serious misuse of Federal funds. It asks the Federal Government to pay the settlement share of the mining companies and other local water users whose share should more properly be borne by the defendants themselves.

I therefore must return this legislation to you without my approval. I will only approve legislation that implements a true negotiated settlement. Such a settlement is one in which all parties that are making contributions or concessions have agreed to those contributions or concessions at the negotiating table. I look forward to receiving such legislation from the Congress. I am asking the Secretary of the Interior to coordinate participation by my Administration in any such negotiations.

RONALD REAGAN

The White House,
June 1, 1982.

Proclamation 4944—National P.O.W.-M.I.A. Recognition Day, 1982

June 1, 1982

By the President of the United States of America

A Proclamation

Since the Revolutionary War, when General George Washington complained of the treatment accorded to captured soldiers of the Continental Army, the United States has recognized the uncommon hardships experienced by our soldiers held prisoner during times of war. Called upon to defend American ideals while undergoing extreme adversity in violation of fundamental moral standards and the international codes and customs for the treatment of prisoners of war, our soldiers have fulfilled their duty to their services and country.

Similarly, our country has recognized the acute suffering experienced by the families of our soldiers held captive or missing in action. The uncertainty these service families live with day-to-day surely touches the heart of every American.

The Congress has by Joint Resolution designated July 9, 1982 as National P.O.W.-M.I.A. Recognition Day and on this day we should recognize the special debt owed to our fellow citizens who gave up their freedom and their families in the service of our country. We must also remember our still-missing servicemen, for whose families, relatives and friends the anguish and bitterness of war are enduring aspects.

Our Nation must not forget and will continue to seek answers to their fates.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate July 9, 1982 as National P.O.W.-M.I.A. Recognition Day, a day dedicated to all former American prisoners of war, to those still missing, and to their families. I call on all Americans to join in honoring those who made the uncommon sacrifice of being held captive in war, and their loved ones.

I call upon State and local officials and private organizations to observe this day with appropriate ceremonies and activities.

In Witness Whereof, I have hereunto set my hand this 1st day of June, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 4:08 p.m., June 1, 1982*]

Interview With Western European Television Correspondents on the President's Trip to Europe

June 1, 1982

Versailles Economic Summit Conference

Mr. Saint-Paul. Mr. President, let us speak before of the Versailles summit. The President of my country, François Mitterrand, among other European leaders, would like to reach a better harmony between the dollar, the Japanese yen, and the European money. Do you foresee a possible compromise about this question?

The President. Well, I don't know that it's so much a compromise as I believe that what is necessary to have a stable exchange is to have more stable economies for all of us. And I hope that out of our talks we can find ways to approach the problems that face all of us economically in such a way as to be going more in the same direction.

Here, we, in our own country, have undertaken to curb inflation and have had, I think, a remarkable success in that for the last 3 months it has been running at less than 1-percent rate here—and for the last 6 months, only 2.8 percent.

The exchange—the idea—we're opposed, as you know, to government intervention on an ongoing basis in exchange rates in our floating exchange. We would like to see a study made of the history, recent history of government intervention and what its record has been. At the same time, we will support intervention for extreme disruptions and dislocations in the exchange rate.

But above all, again, I repeat, I think that achieving a stable economy for all of our countries is the best insurance that we will have a stable rate of exchange.

Mr. Telmon. Mr. President, I remember that last year in Ottawa, you were promising—you were predicting that the U.S. interest rates would have decreased in 6 months. Are you going to do the same statement this year in Versailles?

The President. I think I could safely say that because, while at that time we had not yet put our economic program in place, we got the most of what we were asking from our Congress. And the interest rates did come down. They are down about 25 percent, but that's not nearly enough.

When we started in office, this administration started, we inherited interest rates that were the highest they had been in our country in more than a hundred years. We did come down, as I say, about 25 percent, but with the increase in unemployment, they have stayed much too high.

I am hoping that the Congress will be more forthcoming with regard to the new budget than they were last week, because I believe that when we get another budget of the kind we had last year that shows continued reductions in the rate of increase in government spending here, we will see another drop in the interest rates before the end of the year.

Mr. Bell. Mr. President, there hasn't been an economic summit, I think, which didn't end with a ringing declaration against protectionism, and we expect that to happen now, although protectionism seems to be creeping onwards. I wonder if, whether on this issue as on others, it's going to make all that much difference whether you go to Versailles or whether you don't.

The President. Well, I'm going to Versailles, but that will be a very important subject, and I am going to try hard—and I'm sure that others will, too—to point out the fallacy of protectionism. What the world really needs today is a greater extension of free trade, removing the obstacles to that free trade. And this is also very important with regard to the developing nations, the lesser developed nations that all of us have met with regard to helping, as we met at Cancún.

One of the things that they need is to know that there is an open market for their product, whether it be agricultural produce or whether it be something manufactured. And I am going to strive hard to preach the sermon that protectionism actually ends up in a restraint of trade, and open trade means more jobs for all our people.

East-West Trade

Mr. Kronzucker. East-West trade, Mr. President, is an important prospect of European economy. It is said that you want to curb this trade; especially, you want to refrain the allies of providing the Soviet Union with extra-cheap credit for their economy. Could you elaborate on that?

The President. Yes, I could.

It's not a case of wanting a permanent quarantine of the Soviet Union or anything of that kind. But we have all discussed and have taken various actions because of our opposition to what the Soviet Union is doing in Poland, Afghanistan, its military buildup to the point that it hangs over all of us as something of a threat.

The Soviet Union is having its economic problems, too. And I just believe that now is a time not to continue subsidizing them with cheap credit so they can continue their military buildup. But is it time to approach them and point out that there is a different way?

But none of the countries of the Western World represent a threat to the Soviet Union, none of us have any desire to be aggressive where they're concerned. But maybe we could through restraining credit and refusing any longer to subsidize their military buildup, that we could persuade them to come closer to becoming a member of the family of nations—Europe and here and in Asia—that want peace and want a trade relationship worldwide.

And so, what I will be proposing is not some return to the cold war as such, but a temporary period of restraint while we show them what we have to offer; on the other hand, if they will give up their expansionist policies and their obvious militarism.

Mr. Kronzucker. You couldn't convince the European allies of refraining from building the Trans-Siberian Pipeline. How will you convince the allies of this program?

The President. Well, the reasons given for our not being able to convince them—at least given by our allies—was that these were contracts that in many instances had already been put in place before the present administration's leaders were in office. And so they felt bound by contract to go along with this.

I think the credit is a different matter. And again, I say it doesn't make much sense to be forced into programs of costly arms buildup on our side simply to meet a threat that comes from one place and one alone, the Soviet Union, which, in the recent years of détente, during what was supposed to be a détente, has gone forward with the greatest military buildup in the history of man. And maybe we need to get their attention.

Meeting With President Brezhnev

Mr. Saint-Paul. Mr. President, my question could be a followup now. Do you confirm your intention of having a summit with Leonid Brezhnev, and will this summit depend on the Soviet attitude in the world?

The President. Well, answering the last part of the question first, it would only depend on their conduct if they should make some overt move, such as military occupation of Poland or something of that kind. On the other hand, I view a possible meeting with President Brezhnev as a chance to point out the road to a better relationship. And it isn't a road that is simply paved with words; there must be some deeds. And I have quoted before, and will quote again, what the Soviet needs to understand is the meaning of Demosthenes' words 2,000 years ago in the Athenian marketplace, when he said, "What sane man would let another man's words rather than his deeds tell him who is at peace and who is at war with him?" Again, I refer to the military buildup of the Soviet Union, their policies of expansion.

I look forward to a meeting. He has expressed at one time in a communication with me a willingness for such a meeting. There has been no effort to pin down a time, a place, although I have invited him, and I've had no formal rejection of my expression of hope that he would join all of us at the United Nations following this meeting in Europe, when the United Nations takes up the problem of disarmament—or reduction of arms, and that I expressed the hope that he and I could—if he came to New York—could have a meeting at that time.

If that is not to be and he cannot do that in his own schedule, then, yes, I would like to go forward and have such a meeting in which we could discuss the deeds that all of us might use to reveal our peaceful intent.

Peace Movements

Mr. Telmon. Mr. President, how much have the peace movements in Europe, in Japan, and now also in the United States influenced your decision? And how much—how do you evaluate the importance of these movements?

The President. Well, I think it shows the desire of a great many people for peace and to be out from under the shadow over the world of nuclear annihilation. Actually, it didn't influence me. As a matter of fact, they're kind of following the leader because way back during the campaign, when I was campaigning against the incumbent President, on a number of occasions I publicly expressed my intention, if I occupied this office, to seek a program of arms reduction as differing from the recent years' efforts at arms limitation, but outright, sizeable arms reduction. And all I can say is that I'm with them.

I may disagree with some of the things they propose, such as if they are proposing again a freeze at the present levels, because we have now on the table in Geneva a treaty that we're discussing with the Soviet Union that would take the nuclear weapons, the intermediate weapons, entirely away from Europe. We have set the date, June 29th, for the beginning of the negotiations with the Soviet Union—and they've agreed to it—to discuss the reduction of the strategic nuclear weapons. And, of course, for some time we've all been discussing—all the nations—a reduction of conventional weapons. That's taken place in Vienna.

So, the only place where I might disagree is if some of those peace movements are demanding only a freeze at the present level. I don't think there'd be much accomplishment in freezing the Soviet Union into a position of superiority over all the rest of us.

Mr. Telmon. There is no point for me to put a supplementary question, because you have already answered.

U.K.-Argentine Conflict

Mr. Bell. Mr. President, I have a question I'd like to ask you about the Falklands and the extent of your commitment on Britain's side, for the British seem poised to repossess the islands now. Do you want them to go through with that and score their victory, or are you asking us to hold back, for there to be a negotiation and Argentina be left with some of the fruits of aggression?

The President. Well, now, I could be presumptuous in one way if I answered directly some of that. I recognize that both sides have lost men, but England in responding to this—a threat that all of us must oppose, and that is the idea that armed aggression can succeed in the world today—you have lost many fine young men, as has the other side, and a number of your vessels and planes.

I don't know exactly—at what is the right moment for a negotiated settlement to that problem. I would hope it could come before there is further loss of life on either side. And we stand ready to do anything we can, as we have for all these many weeks, to bring about a peaceful solution and resolution of this problem. And we'll continue to offer our help, do whatever we can. Whether that can take place without further military action or not, I don't know.

But we—I think all of us hope and pray that no more blood needs to be shed or should be shed in arriving at a proper settlement, and, again, as I say, observing the principle that armed aggression, as originally took place there, must not be allowed to succeed.

Mr. Bell. Could we take this forward, Mr. President, to the future of the islands, that after spending so much blood, so many ships sunk, there will be a disposition on the part of the British, perhaps, to hang on in there for the foreseeable future. Will you be with us then as you are now?

The President. Well, that question poses a hypothesis that I don't think I'm at a position to answer. I do know that there had been many attempts at negotiation before this armed invasion of the Falklands took place, in which your country has suggested a solution to the dispute over sovereignty and has evidenced a willingness to find some fair answer, particularly fair to the people who are presently living there on the islands.

Now, I would not like to put myself in the position of saying what that solution should be, except to say that I do believe and I know that Prime Minister Thatcher has expressed many times the desire to do what is best for those people presently living on the Falklands.

Mr. Kronzucker. Sir, you risked your Latin American policy over your commitment for Great Britain in the Falkland crisis—or the Malvinas crisis, as the Argentines say. Do you also see a threat for the Alliance coming up with this conflict?

The President. No, I don't believe so. I believe that the Alliance—now we're speaking now of the North Atlantic Alliance, NATO—I believe that we're closer together than we've been for some years past. I think we're seeing much more eye to eye than we have in the past.

With regard to our desire for better relations with the rest of the nations here in the Americas, North and South and Central, we did observe neutrality as a peace broker, trying to bring about a peaceful settlement before there was the actual engagement that we now have, armed struggle. We finally had to say, in the face of intransigence on the part of the Argentines with regard to meeting any peaceful solution, that we could not deny the principle involved, that we cannot approve of armed aggression being allowed to succeed, certainly with regard to territorial claims. And we hope very much that this can be brought to a proper conclusion, and we will then again proceed with our efforts to improve relations with our neighbors here in the Americas.

I have said for a long period of time that I don't believe our country has ever approached, particularly the neighbors in Latin America, in the way that we should to erase some misunderstandings and all, forget some past history, and to have a mutually beneficial relationship as we have with our allies in other parts of the world.

West Berlin

Mr. Kronzucker. Permit me to come to West Berlin, an island perhaps nearer and dearer to NATO, so to speak.

The President. Yes.

Mr. Kronzucker. How far would America go in its commitment to defend West Berlin if it is necessary, even over, perhaps, a war?

The President. I don't think there's any question about how far we go. We are committed to the preservation of freedom in Western Berlin, and that island of freedom, I think, is a symbol to the whole world of what is at stake and what is at issue between the East and West.

Mr. Kronzucker. Would you also risk a limited nuclear war over West Berlin?

The President. I got in some trouble recently answering a gentleman's question, a member of the press, in a group meeting about—he asked a hypothetical question, and I should have stopped short of a hypothetical answer when he said did I believe that there could be such a thing as a limited nuclear war. And I don't think that I will make that mistake again of answering.

I just believe that our goal must be peace, and this is what everything we're doing is leading toward, is a deterrent toward war of any kind. And if we don't have war of conventional kind, then we'll never have to worry about how much of a nuclear war you could have.

Mr. Kronzucker. You are aware, Mr. President, that in Berlin you are awaited by a hot reception, so to say? About a thousand different organizations prepare to protest against your visit there. What do you think about that?

The President. Well, I'm curious as to what's in their mind, and do they really understand what I represent? Or are they going by some imagery that has been concocted for them in which they think I'm a threat to peace? And if so, I hope that all of you will convey to them that I'm the first one in a great many years that has persuaded the Soviet Union to sit down in actual arms reduction talks, and that I'm dedicated to that.

U.S.-European Relations

Mr. Kronzucker. On the other hand, you are aware for sure that a lot of Germans—there's even now a poll—a high percentage of the Germans are looking forward to your visit, and they think they will enjoy it. Mr. President, the nearer this travel to Europe comes, the more conciliatory it seems is your approach to those points that are critical to the Alliance.

The President. No, I don't think—it's just that now that we're going there, maybe they're paying more attention to what I've been saying. But as I say, I'm not saying anything any different than I said back when I was campaigning for this office.

I know that there has been some misconstruing of some remarks that I made early in a press conference with regard to the Soviet Union. And it's been portrayed that I accused them of all sorts of things—actually, in answer to a question I was quoting what *they* say about themselves and their right to practice any morality or immorality that furthers their cause. I was quoting them, not making an accusation. So I don't retract anything that I said.

But again, as I say, I believe the answer is the reduction of arms and, again, not naively or pretending that the Soviet Union, that we can have a détente while they go on with their programs of expansion and all. No. Seeking to persuade them to, by deed, prove their contention that they want peace also.

Mr. Saint-Paul. I've got the chance to ask my very simple question, Mr. President. Before starting tomorrow, what will you say to young Europeans today, and what image would you like to give to Europe during your trip now?

The President. What image——

Mr. Saint-Paul. ——would you like to give of yourself during your visit?

The President. Well, as someone who believes very much in that alliance which has kept the peace for almost 40 years now, with all the criticism that has been leveled upon it even by members of it, at times; a believer in that. A belief that our fate is tied to that of Europe. We're not an outsider coming in trying to do something helpful for others. That alliance is important to us as it is to the nations of Europe. Also a belief that we can have better trade relations, freer trade relations, that our economic problems are similar in all our countries and that the answer must be reducing and eliminating inflation, freer trade that will provide jobs for those people in all our countries who at the moment cannot find jobs. And if I can be seen as honestly wanting and trying sincerely for all those things there, that'll be enough.

The Middle East

Mr. Telmon. Mr. President, can you say something about the Middle East? In this moment we know that you are going to have a summit meeting with President Mubarak and Menachem, alias——

The President. Yes.

Mr. Telmon. ——Prime Minister Begin. At the same time, there is this new—a couple of new alinements in the Middle East. What is the position of the United States?

The President. Well, we have believed, there again, that the answer to the problem of Israel and the Israeli-Arab conflict must be the same type of thing that happened between Egypt and Israel, that other, more moderate Arab States, to begin with, must acknowledge the right of Israel to exist as a nation and then, bilaterally, make their peace with Israel. And we've been trying—we can't impose a peace structure on the countries of the Middle East—but we have been trying to establish ourselves as wanting to be fair and wanting a just and fair solution to the dispute between the Arab States and Israel and that, therefore, we could be depended on as long as we're wanted and our help is sought to try for a fair and just peace.

I recognize that there are some Arab States that are not moderate and that will represent a problem. But I believe that even most of those, if not all, would follow the lead if the more moderate Arab States should accept Israel's right to exist and be willing to do as Egypt did and seek a peace.

Mr. Kronzucker. Mr. President, thank you very much, also on behalf of my colleagues, in spite of the fact that this room, the library, turned to a steambath under the lights. And we wish you a successful trip to Europe.

The President. Well, thank you very much. I'm looking forward to it.

Note: The interview began at 3:20 p.m. in the Library at the White House. Interviewing the President were Gerard Saint-Paul of

French Television 1, Sergio Telmon of Italian Television-RAI, Martin Bell of BBC Television, and Hans-Dieter Kronzucker of German Television-ZDF.

Proclamation 4945—National Orchestra Week, 1982

June 1, 1982

By the President of the United States of America

A Proclamation

America's 1572 symphony and chamber orchestras are among this Nation's finest cultural and artistic resources. Each year, our orchestras provide inspiration and enjoyment to more than 23 million people throughout the country.

This country's orchestras are internationally recognized as being among the finest in the world. They set the standards of excellence against which other musical endeavors are measured.

Orchestras contribute more to their community than fine concert music. Today, orchestras serve their communities in many ways. They reach audiences beyond the concert hall through regional and national tours, free outdoor concerts and benefit performances. In addition, orchestras offer educational programs which introduce school age children to the lasting beauty of music. Orchestras also cooperate in joint artistic ventures, thereby helping to support a multitude of additional arts activity in their communities.

The success of America's orchestras has been the result of the combined effort of skilled professionals and dedicated volunteers. It is their partnership with the government and the private sector which enables them to promote and produce music in their communities.

These orchestras provide the opportunity for American trained musicians and conductors to promote the performance of American music. The American orchestra both builds and preserves our Nation's heritage.

In recognition of the contribution of America's orchestras to the Nation, Congress has, by Senate Joint Resolution 145, requested me to designate June 13–19, 1982, as National Orchestra Week.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate the week of June 13–19, 1982 as National Orchestra Week and call upon all Federal, State and local government agencies, interested groups and organizations, and the people of the United States to observe that week by engaging in appropriate programs and activities, thereby showing their support of America's orchestras and the arts.

In Witness Whereof, I have hereunto set my hand this 1st day of June, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 11:42 a.m., June 2, 1982*]

Remarks to Administration Officials and White House Staff on Departure for Europe

June 2, 1982

Who's tending the store? [*Laughter*]

Well, I think we've got everything packed, and Nancy's upstairs unplugging the toaster. [*Laughter*]

I guess we're ready to go. But in case anyone's wondering whether this trip is necessary, let me say a word or two about what we hope to accomplish.

I think one of the highest duties that goes with this office is to carry on the pursuit of peace and prosperity for our people. For more than three decades that pursuit has led to consultation and cooperation with our neighbors here on this continent, and with Japan, and with our friends and allies in the Western World, in Europe, those nations that share our democratic ideals.

Together we've weathered threats of aggression and internal disagreements, but we've maintained a sense of unity and a commitment to freedom, and we're still being tested, possibly more now than ever before. It's important, for that reason, to meet and renew our bond.

Now, I know there are some who question the value of the Alliance, who view it as cumbersome and at times unresponsive to the need for action. And there are those people still in our land who yearn for the isolationist shell. But because we've rejected those other courses back over the recent decades, there has been peace for almost 40 years on the Western front.

This administration's foreign policy began last year. It included the reestablishment of our American strength and the revitalization of our economy. We put the economic recovery program and the defense plan into place. This country never sought the leadership that was thrust upon us at the end of World War II, but what we have done, I think, in this last year, is reaffirm to our friends abroad and to possible adversaries that we accept that responsibility.

In meeting with the industrial democracies in Versailles, we should see more clearly where and how we mean to have a better economic future. That summit meeting is an opportunity to work for real, sustained, noninflationary growth after nearly a decade of stagnation, low productivity, and investment and energy vulnerability. We've been in the longest period of sustained inflation, worldwide inflation, in the history of the world. I intend to propose regular and closer consultation among us so we can together pursue economic policies that move in the same direction, first, to reduce inflation, and then to have greater monetary and fiscal discipline.

We must look for ways to strengthen the international trading system with more reliance on the free market. It's time that we take a stand against the increasing drift in so many parts of the world, and even here at home, toward protectionism.

There are other meetings besides Versailles—I'll say—[*laughter*]—in London, in Rome, in Bonn, and in Berlin. I look forward to meeting with His Holiness the Pope in the Vatican. And the NATO meeting in Bonn—there we'll have a chance to explain in detail our plans for engaging the Soviet Union in realistic arms reduction talks.

I know that you're aware that last November we took up the issue and proposed to the Soviet Union negotiations leading toward a zero level, the elimination of intermediate-range weapons, their SS–20's and –4's and –5's in Europe, and the deploying of our Pershings and cruise missiles as a deterrent to those forces—a total elimination of those forces—and that, now, that treaty that we proposed is on the table in Geneva, and our teams are negotiating there. And then, a short time ago, in Eureka College, I spoke of START, Strategic Arms Reduction Talks, and the day before yesterday was able to announce that those talks will begin 27 days from now, on the 29th of June, in Geneva.

Now, if it is, as it appears to be, that we're destined to play a leadership role, then we shall do so with one purpose in mind—to affirm and protect the fundamental values of our people and the people of those countries that are allied to us in this determination to be free. Our societies are a reflection of all that is good and decent in humankind.

Something will happen on this trip also in Bonn. There will be a ceremony, and Spain will become a member of NATO and the North Atlantic Alliance. I wonder if any of us have really thought about the significance of that. Over and above our welcome to another democracy to join us in that alliance, when have we ever seen or will we ever see a nation ask to join the Warsaw Pact? It just won't happen. For that matter, where else in the world can people take to the streets to demonstrate their opposition to nuclear warfare?

There's been near a decade of troubling events and uncertainty among the allies and ourselves, but today there is a regrowth of unity and purpose. And I hope that this trip will contribute to that and increase it.

So, that's my reason for going. And I can only tell you that I shall be more proud than I've ever been of anything to be there representing the United States, with an opportunity once again to express to all of them and to the world what it is we think we represent, what it is we want for all the people of the world.

And now, as the little girl said to me in the postscript to her letter, once, about what I should do after taking all her advice in the letter, about getting to the Oval Office, and get back to work, w
leaving, but—get back to work. [

No, incidentally, I couldn't l
without just saying to all of you,
we have you here and in a group,
you all, and thank you for all t
been doing. I know that what w
doing doesn't read well in the W
Post or the New York Times, b
me, it reads well in Peoria.

Thanks a lot. Goodby. See you l

Note: The President spoke at 9:3
the East Room at the White Hous
ing his remarks, he left from
Lawn for Andrews Air Force
From there he flew to Paris, Fran

Message to the Congress on Trade With Romania, Hungary, People's Republic of China

June 2, 1982

To the Congress of the United States:

In accordance with subsection 402(d)(5) of the Trade Act of 1974, I transmit herewith my recommendation for a further 12-month extension of the authority to waive subsection (a) and (b) of Section 402 of the Act.

I include as part of my recommendation my determination that further extension of the waiver authority, and continuation of the waivers applicable to the Socialist Republic of Romania, the Hungarian People's Republic, and the People's Republic of China will substantially promote the objectives of Section 402.

This recommendation also includes my reasons for recommending the extension of waiver authority and for my determination that continuation of the three waivers currently in effect will substantially promote the objectives of Section 402. It also states my concern about Romania's emigration record this year and the need for its reexamination.

RONALD REAGAN

The White House,
June 2, 1982.

RECOMMENDATION FOR EXTE
WAIVER AUTHORITY

I recommend to the Congress
waiver authority granted by
402(c) of the Trade Act of 1974 (h
"the Act") be further extended
months. Pursuant to subsection 4
the Act, I have today determine
ther extension of such authority,
tinuation of the waivers currentl
ble to the Socialist Republic of
the Hungarian People's Republic
People's Republic of China will su
promote the objectives of section
Act. However, I am concerned ab
nia's emigration record this year
gest it be reexamined. My deter
attached to this Recommendation
corporated herein.

The general waiver authority
by section 402(c) of the Act is an
means for the strengthening of
beneficial relations between th
States and certain countries o
Europe and the People's Republic
The waiver authority has permit
conclude and maintain in force

trade agreements with Romania, Hungary, and the People's Republic of China. These agreements continue to be fundamental elements in our political and economic relations with those countries, including our important productive exchanges on human rights and emigration matters. Moreover, continuation of the waiver authority might permit future expansion of our bilateral relations with other countries now subject to subsections 402 (a) and (b) of the Act, should circumstances permit. I believe that these considerations clearly warrant this recommendation for renewal of the general waiver authority.

I also believe that continuing the current waivers applicable to Romania, Hungary and the People's Republic of China will substantially promote the objectives of section 402 of the Act.

Romania: Emigration from Romania to the United States has increased substantially since the waiver has been in effect. In 1981, nearly 2,400 persons emigrated from Romania to the U.S. This is nearly six times the pre-MFN level of emigration and represents an optimum number of emigrants under U.S. immigration procedures in effect that year.

However, I am gravely concerned about the Romanian Government's failure to improve its repressive emigration procedures and the significant decrease in Romanian Jewish emigration to Israel, which is disturbing. This emigration has dropped from an annual rate of 4,000 prior to the 1975 extension of MFN to Romania, to the current (1981) low level of 972. Furthermore, contrary to the 1979 agreement with American Jewish leaders, Romania continues to maintain a considerable backlog of unresolved long-standing emigration cases. This backlog at present involves at least 652 cases. Also, contrary to the 1979 agreement, the Romanian Government has not improved its emigration procedures. The process is cumbersome and plagued with obstacles for those who merely wish to obtain emigration application forms. All these factors demonstrate Romania's negativistic emigration policy which clearly contravenes the intent and purpose of the Jackson-Vanik Amendment.

In waiving the prohibition of MFN renewal for Romania this year, I have weighed the above factors within the context of the satisfactory state of overall U.S.-Romanian relations. However, I intend to inform the Romanian Government that unless a noticeable improvement in its emigration procedures takes place and the rate of Jewish emigration to Israel increases significantly, Romania's MFN renewal for 1983 will be in serious jeopardy.

Hungary: Hungary's performance during the past year has continued to reflect a positive approach to emigration cases. The majority of Hungarians seeking to emigrate receive permission to do so without great difficulty. Few problem cases arise and these can be discussed constructively with the Hungarian Government. Most difficult cases ultimately are favorably resolved. The relatively liberal Hungarian domestic situation seems to defuse any pent-up demand to emigrate and the actual number of citizens who apply to leave Hungary is apparently small.

People's Republic of China: During the past year, China has continued its commitment to open emigration, exemplified by its undertaking in the September 1980 U.S.-China Consular Convention to facilitate family reunification. The Convention was approved by the Senate on December 17, 1981. The instruments of ratification were exchanged on January 19, 1982. U.S. Foreign Service posts in China issued over 6,920 immigrant visas in FY–1980, and over 15,293 nonimmigrant visas for business, study, and family visits. The comparable figures for 1980 were 3,400 and 15,893, respectively. More than 8,000 Chinese are now in the United States for long-term study and research (approximately half of this number is privately sponsored). As has been the case for the past several years, the numerical limits imposed on entry to the U.S. by our immigration law continue to be a more significant impediment to immigration from China than Chinese Government exit controls. The Chinese Government is aware of our interest in open emigration, and extension of the waiver will encourage the Chinese to maintain liberal travel and emigration policies.

In light of these considerations, I have determined that continuation of the waivers applicable to Romania, Hungary, and the People's Republic of China will substantially promote the objectives of section 402 of the Act.

Memorandum on Trade With Romania, Hungary, and the People's Republic of China

June 2, 1982

Memorandum for the Secretary of State

Subject: Determination under subsection 402 (d)(5) and (d)(5)(C) of the Trade Act of 1974—Continuation of Waiver Authority

Pursuant to the authority vested in me under the Trade Act of 1974, (Public Law 93–618, January 3, 1975; 88 Stat. 1978) (hereinafter "the Act"), I determine, pursuant to subsection 402 (d)(5) and (d)(5)(C) of the Act, that the further extension of the waiver authority granted by subsection 402(c) of the Act will substantially promote the objectives of Section 402 of the Act. I further determine the continuation of the waivers applicable to the Socialist Republic of Romania, the Hungarian People's Republic and the People's Republic of China will substantially promote the objectives of Section 402 of the Act.

This determination shall be published in the *Federal Register.*

RONALD REAGAN

Appointment of Six Members of the National Cancer Advisory Board, and Designation of Chairman

June 2, 1982

The President today announced his intention to appoint the following individuals to be members of the National Cancer Advisory Board. They will serve for terms expiring March 9, 1988. The President also announced his intention to designate Tim Lee Carter to be Chairman.

Tim Lee Carter is in the private practice of medicine in Tompkinsville, Ky. He is a former U.S. Representative for the Fifth Kentucky Congressional District. He resides in Tompkinsville and was born September 2, 1910. He will succeed Henry C. Pitot.

Richard A. Block is chairman of the board of H & R Block, Inc. and founder of the R. A. Block Cancer Management Center. He resides in Kansas City, Mo., and was born February 15, 1926. He will succeed Bruce N. Ames.

Angel Bradley is a homemaker and actively involved in community affairs in North Miami, Fla. She was born April 3, 1921. She will succeed Harold Amos.

H. Victor Braren is associate professor of urology at the Vanderbilt University School of Medicine. He is also assistant professor of pediatrics at Vanderbilt University School of Medicine. He resides in Brentwood, Tenn., and was born September 12, 1940.

Ed L. Calhoon is a general practitioner/general surgeon in Beaver, Okla. He is the Oklahoma delegate to the American Medical Association. He was born December 9, 1922. He will succeed Frederick Seitz.

Geza J. Jako is professor (research) of otolaryngology at the Boston University School of Medicine. He is a surgeon at University Hospital and president of the Institute for Applied Ear Research, Inc., in Boston. He resides in Melrose, Mass., and was born August 9, 1930. He will succeed Philippe Shubik.

Appointment of William P. Longmire, Jr., as a Member of the President's Cancer Panel

June 2, 1982

The President today announced his intention to appoint William P. Longmire, Jr., to be a member of the President's Cancer Panel for a term expiring February 20, 1985. He will succeed Bernard Fisher.

Dr. Longmire is a physician and surgeon. In addition, he is professor of surgery at the University of California School of Medicine. He is a consultant in surgery at the Los Angeles County Harbor General Hospital. He has been Civilian Consultant to the Surgeon General, U.S. Army, since 1960. He was consultant, general surgery, Special Medical Advisory Group, Veterans Administration, in 1963–1968 and 1977–1981. He was chairman of the department of surgery at the University of California School of Medicine 1948–1976. Dr. Longmire was National Consultant in General Surgery to the Office of the Surgeon General, U.S. Air Force, in 1954–1976.

He graduated from the University of Oklahoma (A.B., 1934) and the Johns Hopkins Medical School (M.D., 1938). He is married, has two children, and resides in Los Angeles, Calif. He was born September 14, 1913.

Message to the Congress Reporting Budget Deferrals

June 2, 1982

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report seven new deferrals totaling $14.5 million and revisions to two deferrals previously reported increasing the amount deferred by $140.5 million.

The deferrals affect programs in the Departments of Agriculture, Commerce, Interior and Labor as well as the Board for International Broadcasting, the International Communication Agency, the Railroad Retirement Board and the Small Business Administration.

The details of each deferral are contained in the attached reports.

RONALD REAGAN

The White House,
June 2, 1982.

Note: The attachments detailing the deferrals are printed in the Federal Register *of June 8, 1982.*

The text of the message was released by the Office of the Press Secretary on June 3.

Remarks of President Reagan and French President François Mitterrand Following a Working Luncheon in Paris

June 3, 1982

President Mitterrand. Ladies and gentlemen, today we have received the President of the United States, Mr. Ronald Reagan. Mr. Reagan has already been in France in his personal capacity—on a personal visit—but it's the first time that we've had the very great pleasure of receiving here officially the first of the Americans.

We have had an exchange of views during this lunch, which has been a friendly occasion, but it has also been a working lunch. And we have been accompanied by our aides. And I wish simply to say that—for France, I want to say this to the French press and also to the foreign press—that we are extremely happy that this day should have come about. For France it is a great event, a great day that we should have in our midst Mr. Ronald Reagan.

Now, tomorrow the work of the summit itself will be beginning, but today is truly a Franco-American event—with this lunch today, contacts between people in positions of responsibility on both sides, and tonight a dinner at the United States Embassy.

My purpose in speaking right now is simply to say how very warmly we wish to welcome in our midst Mr. Ronald Reagan, President of the United States. Thank you.

President Reagan. Well, Mr. President, thank you very much.

Ladies and gentlemen, as the President has said, we resumed here discussions that began a few weeks ago in Washington. We touched upon the areas of tension that concern us both, the Falklands, Central America, the Middle East. We did not get into heavy discussions, because those are reserved for the meetings at Versailles that begin tomorrow, when we will be there with our colleagues from the other nations in the alliance and the other industrial nations.

So, this has been a combination of a very happy resumption of a personal friendship, as well, as I say, just touching upon some of the events which will be thoroughly discussed in the next 2 days, 3 days.

And I just want to take this opportunity to thank President Mitterrand and the people of France for the warm hospitality that we have enjoyed and are enjoying here and thank him for hosting again the eighth in this series of meetings between the leaders and representatives of the industrial nations.

So, *merci beaucoup.*

Note: President Mitterrand spoke at 3:40 p.m. to reporters assembled at a rear terrace of the Elysee Palace. He spoke in French, and his remarks were translated by an interpreter. The two Presidents and their delegations, including Secretary of State Alexander M. Haig, Jr., Secretary of the Treasury Donald T. Regan, French Prime Minister Pierre Mauroy, Minister of External Relations Claude Cheysson, Minister of Economy and Finance Jacques Delors, and other U.S. and French officials, held the luncheon in the Salle des Aides de Camps in the Palace.

Following his remarks, President Reagan returned to the residence of U.S. Ambassador to France Evan G. Galbraith, where he and Mrs. Reagan stayed after their arrival in Paris the night of June 2.

Earlier in the day, the President met at the residence with Secretary Haig, Secretary Regan, members of the White House staff, and U.S. officials to prepare for the discussions with President Mitterrand and the Versailles Economic Summit Conference. He also met with Sharon Ray, whose husband, Lt. Col. Charles R. Ray, Assistant Army Attaché in Paris, had been murdered in the city on January 18.

Toasts of President Reagan and French President François Mitterrand at a Dinner Honoring the French President in Paris

June 3, 1982

President Reagan. Mr. President, Madam Mitterrand, Prime Minister and Madam Mauroy, Ministers and honored guests and dear friends:

Nancy and I are very pleased to be with you tonight in this lovely home of Ambassador and Mrs. Galbraith, our gracious hosts. I hope you all realize that we know, of course, France has great appreciation for fine wines, and that's why we decided to treat you to some California wine tonight. [*Laughter*]

I speak not just for Nancy and myself but for so many of our countrymen when I express the joy that we Americans feel in returning to France and seeing again her special jewel, Paris. Mr. President, I'm grateful to have the opportunity to continue our dialog and to meet with Madam Mitterrand, members of your government, and so many of your fine citizens. I've enjoyed getting to know you this past year and have benefited from your wise counsel during our several discussions.

This will be our second economic summit together. You may be sure I'll work with you to help make it a success.

I come to Europe and to this summit with a spirit of confidence. Our administration has embarked upon a program to bring inflationary government spending under control, restore personal incentives to revive economic growth and to rebuild our defenses to ensure peace through strength. This has meant a fundamental change in policies, and understandably the transition has not been without difficulties. However, I'm pleased to report that these policies are beginning to bear fruit.

Inflation is down; interest rates, I'm very happy to say here, are falling; and both personal savings and spending are improving. And we believe that economic recovery is imminent.

We also are moving forward to restore America's defensive strength after a decade of neglect. Our reason for both actions are simple: A strong America and a vital, unified alliance are indispensable to keeping the peace now and in the future, just as they have been in the past. At the same time, we've invited the Soviet Union to meet with us to negotiate for the first time in history substantial, verifiable reductions in the weapons of mass destruction, and this we are committed to do.

You and your country have also been working to set a new course. While the policies you've chosen to deal with economic problems are not the same as ours, we recognize they're directed at a common goal: a peaceful and a more prosperous world. We understand that other nations may pursue different roads toward our common goals, but we can still come together and work together for a greater good. A challenge of our democracies is to forge a unity of purpose and mission without sacrificing the basic right of self-determination. At Versailles, I believe we can do this. I believe we will.

Yes, we in the West have big problems, and we must not pretend we can solve them overnight. But we can solve them. It is we, not the foes of freedom, who enjoy the blessings of constitutional government, rule of law, political and economic liberties, and the right to worship God. It is we who trust our own people rather than fear them. These values lie at the heart of human freedom and social progress. We need only the spirit, wisdom, and will to make them work.

Mr. President, just as our countries have preserved our democratic institutions, so have we maintained the world's oldest alliance. My true friends, who may disagree from time to time, we know that we can count on each other when it really matters. I think there's no more fitting way to underscore this relationship than to recall that there are more than 60,000 young Americans—soldiers, sailors, and marines—who rest beneath the soil of France.

As the anniversary of D-Day approaches, let us pay homage to all the brave men and women, French and American, who gave their lives so that we and future generations could live in freedom. In their memory let us remain vigilant to the challenges we face standing tall and firm together.

If you will allow me, there was a young American—his name was Martin Treptow—who left his job in a small town barbershop in 1917 to come to France with the famed "Rainbow Division" of World War I. Here on the western front he was killed trying to carry a message between battalions under heavy artillery fire.

We're told that on his body was found a diary. And on the flyleaf, under the heading, "My Pledge," he had written that, "We must win this war." And he wrote, "Therefore I will work, I will save, I will sacrifice, I will endure, I will fight cheerfully and do my utmost, as if the issue of the whole struggle depended upon me alone."

The challenges we face today do not require the same sacrifices that Martin Treptow and so many thousands of others were called upon to make. But they do require our best effort, our willingness to believe in each other and to believe that together, with God's help, we can and will resolve the problems confronting us.

I pledge to you my best effort. Let us continue working together for the values and principles that permit little people to dream great dreams, to grow tall, to live in peace, and one day to leave behind a better life for their children.

Saint-Exupéry wrote that a rockpile ceases to be a rockpile the moment a single man contemplates it bearing within him the image of a cathedral. Mr. President, let us raise our glasses to all the cathedrals yet to be built. With our friendship, courage, and determination, they will be built.

Vive la France et vive l'Amerique des amis ce soir, demain et toujours. [Long live France and long live American friendship, this evening, tomorrow, and always.] Would you like to translate that for the Americans? [*Laughter*] All right. Thank you.

President Mitterrand. Mr. President, Madam, I would like to say welcome, welcome to our country. And our country is a country which enjoys receiving a visit from friends. And we're also proud that you should be here and that you should be here on the occasion of your first trip to France and, indeed, your first trip to Europe. So, during this visit we will keep you here with us for 3 days, and the Prime Minister and myself, we will then have the privilege of seeing you again in Bonn.

Now, the French who are here with me, here today, during those days when you will be here in France, we will try to ensure that this visit, which I know is a visit which is dedicated to work and activity, should also be a visit of pleasure, a pleasure that one finds among friends.

We have had several occasions already to meet and to talk together, and we will move forward towards a mutual knowledge of each other. And we have been able to talk of the matters which are of importance for our countries and, indeed, for the whole world. And I have always appreciated, Mr. President, your wise counsel, the very marked attention that you have devoted to what has been said around you and your openmindedness. And it is clear that when the fate of mankind is at stake and also, well, mankind to some extent for which we are responsible, you and I, it is on those occasions that your attention is particularly dedicated.

It is not a matter of chance that we should in fact be the members of the oldest alliance in the world. Think of the time that has elapsed, the generations that have gone by, the events that have taken place—the contradictions, perhaps, in our approaches to the things of the world. And yet, despite all these differences, when the time of need came, we were there, both of us, in order to defend the cause of liberty, the liberty for the individual citizen within each country and the liberty for all the citizens in the whole world, and the liberty, in fact, of friends.

It was not a matter of pure chance nor a matter simply of the combination of various interests which led to the presence of French soldiers by the side of American soldiers when it was a question of fighting for the independence and liberty of your country. Nor was it a matter of chance or of interest merely when many years later American soldiers fought side by side with French soldiers for the independence and the liberty of France. It is because, perhaps without really realizing it, during those two centuries many people reacted and reflected in the same way as the almost synonymous hairdresser that you were mentioning earlier, who later became a soldier, in fact felt that on their shoulders rested the weight of the whole world.

It was simply because they felt that they were responsible, and this man alone realized in his innermost conscience and awareness that in fact what he decided in his intimate knowledge of himself and what was right in his eyes, that in fact that that would govern the way the rest of the world would think likewise.

And where else really does one learn responsibility? Surely it is only in the political democracies where in fact one entrusts to no one else the decisions that have to be taken by each and every individual. And who can really be fully responsible more than the person who realizes and fully appreciates that it is the force of the mind that is decisive and that will always win the day over the mechanical forces, however powerful they may be, even the forces of economics.

So, one can say that the world can be built if one thinks right and if one wants it. And we have an excellent opportunity of proving this in the next 3 days—without too much ambition, but all the same we need a lot of ambition in the positions that arise. But to move with a sense of solidarity and consistency towards justice and, therefore, towards peace is already something, perhaps, that is important.

Now, the least we can do, of course, is to discuss economics. And if the seven countries which will be meeting with the European Economic Community are to attain the strength that they need in order to defend the ideas which they consider to be right, then it is important not to divorce the economic powers from the other resources that are ours. It is important that we should be able to guarantee peace which, after all, is based on agreement among ourselves. But in order to be able to do that, it is essential that we should not be, in fact, fighting within ourselves.

I, like you are yourself, I am confident that we can, in fact, control and dominate the crisis which we are living in. The methods that we may employ within our countries may indeed be somewhat different. But the aims are the same, and our methods can and must in fact converge in the form of common actions that we can engage in together.

Yes, I am confident that we will win the battle of peace, although, sometimes the methods that we will employ within our countries may be different. But we will always agree on the essential goals. And so it is that, for over a year now, we have indeed moved forward together, hand in hand, in full agreement about the goals that we were striving to achieve.

Now, by the presence of force and power, we should be able to view with equinimity and indeed serenity the threats that may be before us. But at the same time, we will only use force in order to ensure the protection and the achievement of the peace which is so necessary. And so it is that force must be there in order to back, just start the necessary negotiations. And that indeed is what you have just done, saying what you have said just before the opening of the very important talks concerning disarmament, talks that are to be held with the very great power that—with you and with others, such as ourselves—is responsible for the fate of the world.

And I hope that we will be able to extend our efforts too, further, in order to help those billions of human beings who are no longer really the Third World, but a sort of world which is in the process of moving towards development, a world which needs us just as we need them, in order that our century should have a future.

Well my dear Ron, perhaps the remarks that you were making yourself earlier have led me somewhat far afield from the tone that should be the tone of this evening, that is continuing—because it has not yet reached its end. And it is a tone, of course, of happiness, the happiness of being together, the joy of being together. And so in a moment, I will be raising my glass to your health, to the health of Mrs. Reagan. And I have had the very great pleasure of having long talks with Mrs. Reagan. We started our talks in London, as we will recall, and indeed we also talked about you. [*Laughter*] I've also raised my glass to the people of the United States, our friends, our faithful friends, just as we are their loyal allies. And it is our function to say on all occasions what we think just as it is our duty to, at all times, show our wholehearted solidarity.

And also I raise my glass to the health of the Ambassador and Mrs. Galbraith representing the United States here in France. And it is to you, Madam, that we owe these very pleasant moments.

And I'm not only speaking on behalf of the French guests present here tonight—who represent what you might call in American terms, as far as the political scene is concerned, a sort of "cocktail"—[*laughter*]—but vis-a-vis the President of the United States and indeed the world, they are representatives of the whole nation of France—and it is on their behalf, on behalf of everyone, that I would like again to raise my glass to your health. And I would say, good luck to your action and also good luck to the work that we are going to undertake in the next 2 days—the conquest of liberty and peace.

Note: President Reagan spoke at 10:22 p.m. at the residence of U.S. Ambassador to France Evan G. Galbraith. President Mitterrand spoke in French, and his remarks were translated by an interpreter.

Remarks to United States Embassy Personnel and Their Families in Paris, France

June 4, 1982

Mr. Secretary and Mrs. Haig, Mr. Ambassador and Mrs. Galbraith:

Nancy and I are so grateful that so many of you, staff members and families, could be here today. I just wish that we had the time to greet each one of you personally, but the schedule doesn't permit that. I think we've been a little behind schedule ever since we took off in Marine One from the lawn at the White House two days ago.

You know, you belong to a pretty special group. You're doing a very important job and living an experience which many of you will never forget. Maybe some of you feel a little bit like Gertrude Stein when she wrote, "America is my country and Paris is my hometown." [*Laughter*]

Well, I just want you to know that you're never forgotten back in the States, and we appreciate very much your hard work and, now, more recently, your hospitality. The success of the summit and this visit to Paris will be, in great measure, due to your efforts.

If I may, I'd like to speak for a moment on a subject which concerns me greatly and each one of you in a very personal way—terrorism. All of us have been moved by the tragic events of the past months, especially with the death of Colonel Ray on the streets of Paris and the attack on Chris Chapman.

I know that some of you here today were colleagues of Colonel Ray. You have our deepest sympathy. From experience, I know it's no fun being a target no matter where on Earth you're standing—even outside the Hilton Hotel. But the safety of our diplomats is of paramount concern to us. President Mitterrand has also put in motion steps to control the threat of terrorism. We're encouraging him, as are the other world leaders who share my concerns, encouraging him to continue this effort.

You know your jobs are not easy. The delicate nature of diplomacy makes many demands upon you. But France and the United States are old friends and close partners. And if our partnership is growing stronger, which I'm convinced it is, that is certainly a tribute to your professional skills, which I'm convinced is equally true about not only growing stronger but due to your skills.

We salute you for all that you're doing. We urge you to keep up the good work. And Nancy joins me, I know, in expressing to you our thanks for your very warm welcome here.

I wish there was more time. I wish we could have a dialog instead of a monolog, and we could tell you whether things still looked the same at home. They do; Congress is still in a state of confusion. [*Laughter*] But we are grateful to all of you and welcome just this opportunity for a brief moment to be able to come by and say hello and thank you to each one of you.

God bless you.

Note: The President spoke at 4:58 p.m. in the Embassy.

Earlier that afternoon, the President met with Prime Minister Zenko Suzuki of Japan at the U.S. Ambassador's residence. Secretary of State Alexander M. Haig, Jr., and members of the White House staff also participated in the meeting. The President then met privately with Prime Minister Margaret Thatcher of the United Kingdom at the resi-

dence.

Following his appearance at the Embassy, the President went to the Hôtel de Ville, the Paris townhall, for a meeting with Mayor Jacques Chirac. He then flew by helicopter to the grounds of the Palace of Versailles and was met by President François Mitterrand at the Grand Trianon, where he stayed during the Versailles Economic Summit Conference.

The two Presidents met briefly at the Grand Trianon and then attended a reception for heads of delegation in the Salon de Famille. The President later attended a dinner for heads of delegation in the Salon de Jardin at the Grand Trianon.

Remarks Commemorating the 38th Anniversary of the Normandy Invasion, D-Day

June 5, 1982

I bring to France greetings and best wishes from the American people. I carry their hopes for continued Western unity to secure a prosperous and lasting peace, and I've come to express our commitment to policies that will renew economic growth.

But today touches French and American memories in a special way. It brings to mind thoughts quite apart from the pressing issues being discussed at the economic summit in Versailles. On this day, 38 years ago, our two peoples were united in an epic struggle against tyranny.

In 1944, as World War II raged, the Allies were battling to regain their foothold on the continent. The French Resistance fought valiantly on, disrupting communications and sabotaging supply lines. But the Nazis held Europe in a stranglehold, and Field Marshal Rommel was building his Atlantic wall along France's coast.

Late the night of June 5th, as fog enshrouded the Normandy coastline, over 2,000 planes took off from English fields to drop soldiers by parachute behind enemy lines. By the early hours of June 6th, the massive allied armada, 5,000 ships, had begun to move across the cold and choppy water of the English Channel. D-Day had begun.

The code names—Omaha, Utah, Gold, Juno, and Sword—are now indelibly etched in history by the blood spilled on that 100-mile stretch of beach. More than 150,000 allied troops stormed Normandy that day, and by dusk they had established beachheads at each of the five invasion points. The toll was high. More than 10,500 of our young men were either dead, wounded, or missing.

Today, endless rows of simple white crosses mark their seacoast graves. The rusty helmets still buried in the sand and the ships and tanks still lying off the shore are testaments to their sacrifices.

By the end of World War II, more than 60,000 Americans had been buried in France. Today, we remember them, honor them, and pray for them, but we also remember what they gave us.

D-Day was a success, and the Allies had breached Hitler's seawall. They swept into Europe, liberating towns and cities and countrysides, until the Axis powers were finally crushed. We remember D-Day because the French, British, Canadians, and Americans fought shoulder to shoulder for democracy and freedom—and won.

During the war, a gallant French leader, Charles de Gaulle, inspired his countrymen, organizing and leading the free French forces. He entered Paris in triumph, liberating that city at the head of a column of allied troops, a victory made possible by the heroes of Normandy. "Nothing great will ever be achieved without great men, and men are great only if they're determined to be so," de Gaulle said.

Ours was a great alliance of free people determined to remain so. I believe it still is.

The invasion of Normandy was the second time this century Americans fought in France to free it from an aggressor. We're pledged to do so again if we must.

The freedom we enjoy today was secured by great men and at great cost. Today, let us remember their courage and pray for the guidance and strength to do what we must so that no generation is ever asked to make so great a sacrifice again.

Thank you very much.

Note: The President's remarks were taped on May 31 in the Library at the White House for use on French television.

Radio Address to the Nation on the Trip to Europe
June 5, 1982

Good day to you all in America:

Maybe I should say "bonjour." I'm speaking to you from the Palace of Versailles right outside Paris, France, and I'm not over here on a vacation. Along with the leaders of the other democratic industrial nations, I'm attending an economic summit, the eighth one in as many years.

Versailles holds significance for the American people beyond its art treasures and architecture. This imposing structure has strong links to our own history. Within these walls Louis XVI and Benjamin Franklin concluded an alliance without which our Revolution's outcome might have been very different. And in 1783 the Treaty of Versailles, which led to the formal recognition of America's independence from England, was signed here.

Now, I don't want to give you a history lesson, but the Versailles Peace Conference, which settled World War I, also greatly affected us as a nation. That conference marked America's emergence as a leader and a world power.

All these historical links between the United States and Versailles involve alliance and friendship—and really, that's what we're doing here again. This time we're discussing economic cooperation. I can assure you our partners are as determined as we are to overcome economic ills and create incentives for employment, investment, and productivity. And they also realize that economic growth is essential to the long term well-being of the industrial countries.

In our meetings, we are trying to work out ways we can reach those goals together and without stepping on each others' toes. Yes, the countries attending the summit do have economic problems, but look how far we've come.

Out of the ruins of the last great wars, we have built thriving democracies, solid friendships, and fundamentally sound economies. We have a right to be proud of our contributions to the economic strength of these industrial democracies. Today is the 35th anniversary of the Marshall plan, a program that shines as an example of how we've worked for the betterment of our sister democracies. I think it's appropriate that this anniversary occurs here among our friends. Our presence demonstrates America's continuing commitment to the democracies of Europe, Japan, and Canada.

After we leave France we go to the Vatican to call upon His Holiness The Pope and to Rome to visit the Government and people of Italy. Italy is a [firm and warm][1] friend of the United States, and we couldn't be in the area without stopping by.

And then back on the plane, and we're off to England, a nation whose American ties are as thick as its fog. The next summit we attend is the NATO gathering in Bonn, West Germany. As you know, NATO's origins go back to the North Atlantic Treaty of 1949 which provided for a defensive military alliance of Western Europe and North America, as well as political and economic cooperation. It is this Alliance and its deterrent strength that has kept the peace for the past 33 years. At the NATO summit, we'll work to preserve that peace by strengthening our defenses and demonstrating the Alliance's firm resolve.

The happiest event of the meeting will be Spain's addition to the list of NATO members. A democratic country has freely chosen to join other nations in an alliance for their common defense. This has real significance. Did any nation in Eastern Europe freely choose to join the Warsaw Pact? Not one.

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[1] *White House correction.*

Just as it's fitting that the anniversary of the Marshall plan occurs during the economic summit, it's also meaningful that NATO meets the week of the D-Day anniversary.

One lesson of D-Day is as clear now as it was 38 years ago: Only strength can deter tyranny and aggression. The dawn that rose on the English Channel that June morning revealed a horizon alive with thousands of ships, the largest armada in history. From England, the long-awaited message went around the world. Under the command of General Eisenhower, allied naval forces supported by strong air forces began landing allied armies on the northern coast of France. It was a simple statement, but the operation had been years in the planning.

In the United States, the news came in the middle of the night. But here and there in sleepy towns, lights, nonetheless, came on. President Roosevelt called the people to prayer. "Almighty God, our sons, the pride of our nation, this day have set out upon a mighty endeavor. . . ."

Well, it was a mighty endeavor, an endeavor of liberty, sacrifice, and valor. As we honor these men, I pledge to do my utmost to carry out what must have been their wish—that no other generation of young men would ever have to repeat their sacrifice in order to preserve freedom.

This is the last of this series of radio broadcasts, but I'll be back before too long. Until then, thanks for listening, and God bless you all.

Note: The President spoke at 6:05 p.m. from the Palace of Versailles, Paris, France. His address was broadcast on radio stations in the United States at 12:05 p.m.

Statement by Deputy Press Secretary Speakes on the Situation in the Middle East

June 6, 1982

The President has summoned Ambassador Philip Habib to Versailles to discuss the Middle East situation. At the President's direction, Ambassador Habib will come at 3:30 this afternoon, where he will meet in the President's suite with the President and Secretary Haig.

Ambassador Habib's mission, as outlined by the President, will be to offer the assistance of the United States Government in the cause of peace in the Middle East.

During this meeting, the President will discuss the current escalation of violence in the Middle East and will determine Ambassador Habib's role in the coming days at the conclusion of the meeting.

In connection with the escalation of violence, the United States Government has ordered a reduction in force of U.S. Embassy personnel in Beirut. In the next 72 hours, all dependents will leave, and an Embassy staff of approximately 50 will be reduced by one-half.

The President last night sent a personal letter to Prime Minister Menachem Begin of Israel expressing the President's hopes that the Government of Israel would seriously consider that no further action be taken that could widen the conflict.

We have made similar appeals to every government in the area with some influence over the situation or the parties which have been engaged in the fighting. I would characterize it as we have pulled out all stops to bring about an end to the fighting and a restoration of the cessation of hostilities which was arranged by Ambassador Habib in July of 1981.

We have strongly supported the call by the United Nations Security Council and the Secretary-General for a cessation of the hostilities at dawn this morning. We continue to be deeply and profoundly concerned by the mounting loss of lives caused by this ongoing spiral of violence and counterviolence.

We renew our call on all parties to refrain at once from further violence. We continue to call on all with influence on the parties to exert all their efforts to effecting a speedy end to this tragic violence. We will continue to confer closely with all parties to bring an end to the fighting. I can assure you we're exerting ourselves to the utmost to restore peace to the region.

Note: Deputy Press Secretary Larry M. Speakes read the statement to reporters at his daily briefing at L'Orangerie Press Center in Paris, France.

Statement Issued at the Conclusion of the Versailles Economic Summit Conference in France

June 6, 1982

Since World War II our peoples in Europe, Canada, Japan, and the United States have worked together to lay the foundation for global prosperity. Together, we built the international institutions which have seen us through the greatest economic expansion in the history of the world. This weekend at Versailles, that spirit of partnership was very much alive.

In the formal sessions and informal exchanges, the leaders of the major industrial democracies worked on strengthening and solidifying Western cooperation.

We did not ignore the serious difficulties facing our economies. These problems will not go away overnight, but they will be overcome. Beating inflation, convincingly and enduringly, is the key to a strong recovery of growth and employment. This was agreed. And I was pleased to report to my colleagues that in the U.S. we are conquering inflation and are convincing our people that we will not return to the inflationary policies of the past.

In times of economic stress, it is always tempting to seek simple solutions at the expense of others. At Versailles, we resisted this temptation. Instead, we concentrated on ways and means to strengthen our economic performance individually and collectively. We have agreed to reinforce the international institutions which assure cooperation and coordination. In doing so, we are looking to a future with low inflation, greater employment opportunities, rising standards of living through advancing technology, and smoothly functioning international economic relations.

Just to name a few specific areas:

—We will work in association with the IMF to achieve meaningful coordination of medium-term economic policies, aimed at fiscal and monetary discipline and greater reliance on market forces.

—We have dedicated our efforts to a productive ministerial meeting of the GATT, which will address the trade problems of the 1980's.

—We have reaffirmed our commitment, made last year at Ottawa, to ensure that our economic relations with the Soviet Union are fully consistent with our political and security objectives. Specifically, we have agreed to exercise prudence in financial relations with the Soviet Union, including limiting export credits.

—We also agreed to work together to develop the considerable energy potential in the West, as another step in assuring a strong, sustained economic recovery, less vulnerable to energy disruptions.

In our informal political discussions, we addressed the major critical issues before the West. We know that the economic growth we seek would be hollow without the collective capacity to defend our democratic principles and our freedom.

We addressed our shared concerns in East-West relations. The continuing buildup of Soviet military power is a major challenge, heightened by Soviet actions in Poland, Afghanistan, and Southeast Asia—

issues I look forward to discussing in greater depth at the Bonn summit. At the same time, we agreed that the serious economic problems and impending succession in the Soviet Union provide us with major opportunities to work out a more constructive East-West dialog.

We must maintain dialog with the Soviet Union, based on reciprocity and restraint. In that spirit, my colleagues have endorsed U.S. initiatives for arms control, particularly the negotiations on reducing strategic arms which will begin on June 29.

The tragedy in the Falkland Islands has been a serious concern to us all. Throughout the crisis, we have all been impressed by the British resolve, and in various ways, we have demonstrated our support for the United Kingdom. The United States continues to believe that we must end the fighting in the South Atlantic and achieve a political settlement.

On other matters, we urged restraint on all parties in Lebanon. Increasing bloodshed in that region is something we all abhor. We have also called for a political settlement in the Iran-Iraq conflict which would preserve the territorial integrity of both nations. And we agreed to improve our coordinated fight against international terrorism.

Finally, I believe that we should reach out to new generations. The summit nations can invest in the future with expanded exchanges among young people from North America, Japan, and Europe.

A year ago in Ottawa, we ended the first series of economics summits that began in France. With this summit at Versailles, we have begun a new cycle. We thus reaffirm our strong commitment to economic and political cooperation. In the spirit of partnership with our fellow democracies, I want to say that I very much look forward to welcoming these nations to the United States next year.

Note: The statement was issued following a gathering of the heads of delegation to the conference, at which time French President François Mitterrand delivered a declaration on the outcome of the conference on their behalf. The session took place in the Salle du Congress at the Palace of Versailles.

The 3-day economic summit conference, which began on Friday evening, June 4, with a reception and dinner for heads of delegation at the Grand Trianon, consisted of morning and afternoon plenary sessions, June 5 and 6, held in the Salle du Sacre at the Palace of Versailles. Attending the sessions were President Reagan, French President Mitterrand, German Chancellor Helmut Schmidt, British Prime Minister Margaret Thatcher, Canadian Prime Minister Pierre Elliott Trudeau, Italian Prime Minister Giovanni Spadolini, Japanese Prime Minister Zenko Suzuki, Belgian Prime Minister Wilfried Martens, in his capacity as President of the European Economic Community Council of Ministers, and Gaston Thorn, President of the Commission of the European Communities, and their foreign and finance ministers. The morning sessions concluded with a luncheon for the heads of delegation in the Salon de la Paix at the Palace.

The President prepared for each day's sessions by meeting first in his suite at the Grand Trianon with members of the White House staff and then with Secretary of State Alexander M. Haig, Jr., Secretary of the Treasury Donald T. Regan, and members of the White House staff.

On Saturday evening, the President attended a reception for heads of delegation in the Salon de Famille, a dinner in the Salon de Jardin, and entertainment in the Salle à Manger, all at the Grand Trianon.

On Sunday evening, following the presentation of the declaration, the President attended a dinner for the delegations in the Galerie des Glaces at the Palace of Versailles. The dinner was followed by an opera in the Palace's Opera House and fireworks in the Palace Gardens. The President then returned to the Grand Trianon, where he spent the night before flying to Rome, Italy, the following day.

Communique Issued at the Conclusion of the Versailles Economic Summit Conference in France

June 6, 1982

1. In the course of our meeting at Versailles we have deepened our mutual understanding of the gravity of the world economic situation, and we have agreed on a number of objectives for urgent action with a view to improving it.

2. We affirm that the improvement of the present situation, by a further reduction of inflation and by a return to steady growth and higher levels of employment, will strengthen our joint capacity to safeguard our security, to maintain confidence in the democractic values that we share, and to preserve the cultural heritage of our peoples in all their diversity. Full employment, price stability and sustained and balanced growth are ambitious objectives. They are attainable in the coming years only if we pursue policies which encourage productive investment and technological progress; if, in addition to our own individual efforts, we are willing to join forces, if each country is sensitive to the effects of its policies on others and if we collaborate in promoting world development.

3. In this spirit, we have decided to implement the following lines of action:

—Growth and employment must be increased. This will be attained on a durable basis only if we are successful in our continuing fight against inflation. That will also help to bring down interest rates, which are now unacceptably high, and to bring about more stable exchange rates. In order to achieve this essential reduction of real interest rates, we will as a matter of urgency pursue prudent monetary policies and achieve greater control of budgetary deficits. It is essential to intensify our economic and monetary cooperation. In this regard, we will work towards a constructive and orderly evolution of the international monetary system by a closer cooperation among the authorities representing the currencies of North America, of Japan and of the European Community in pursuing medium-term economic and monetary objectives. In this respect, we have committed ourselves to the undertakings contained in the attached statement.

—The growth of world trade in all its facets is both a necessary element for the growth of each country and a consequence of that growth. We reaffirm our commitment to strengthening the open multilateral trading system as embodied in the GATT and to maintaining its effective operation. In order to promote stability and employment through trade and growth, we will resist protectionist pressures and trade-distorting practices. We are resolved to complete the work of the Tokyo Round and to improve the capacity of the GATT to solve current and future trade problems. We will also work towards the further opening of our markets. We will cooperate with the developing countries to strengthen and improve the multilateral system, and to expand trading opportunities in particular with the newly industrialized countries. We shall participate fully in the forthcoming GATT Ministerial Conference in order to take concrete steps towards these ends. We shall work for early agreement on the renewal of the OECD export credit consensus.

—We agree to pursue a prudent and diversified economic approach to the U.S.S.R. and Eastern Europe, consistent with our political and security interests. This includes actions in three key areas. First, following international discussions in January, our representatives will work together to improve the international system for controlling exports of strategic goods to these countries and national arrangements for the enforcement of security controls. Second, we will exchange information in the OECD on all aspects of our economic, commercial and financial relations with the Soviet Union and Eastern Europe. Third, taking into account existing economic and financial considerations, we have agreed to handle cautiously financial relations with the U.S.S.R. and other Eastern European countries, in such a way as to ensure that they are conducted on a sound economic basis, including also the need for commercial prudence in limiting export credits. The development of economic and financial relations will be subject to periodic ex-post review.

—The progress we have already made does not diminish the need for continuing efforts to economise on energy, particularly through the price mechanism, and to promote alternative sources, including nuclear energy and coal, in a long-term perspective. These efforts will enable us further to reduce our vulnerability to interruptions in the supply of energy and instability of prices. Cooperation to develop new energy technologies, and to strengthen our capacity to deal with disruptions, can contribute to our common energy security. We shall also work to strengthen our cooperation with both oil-exporting and oil-importing developing countries.

—The growth of the developing countries and the deepening of a constructive relationship with them are vital for the political and economic well-being of the whole world. It is therefore important that a high level of financial flows and official assistance should be maintained and that their amount and their effectiveness should be increased as far as possible, with responsibilities shared broadly among all countries capable of making a contribution. The launching of global negotiations is a major political objective approved by all participants in the summit. The latest draft resolution circulated by the Group of the 77 is helpful, and the discussion at Versailles showed general acceptance of the view that it would serve as a basis for consultations with the countries concerned. We believe that there is now a good prospect for the early launching and success of the global negotiations, provided that the independence of the specialised agencies is guaranteed. At the same time, we are prepared to continue and develop practical cooperation with the developing countries through innovations within the World Bank, through our support of the work of the Regional Development Banks, through progress in countering instability of commodity export earnings, through the encouragement of private capital flows, including international arrangements to improve the conditions for private investment, and through a further concentration of official assistance on the poorer countries. This is why we see a need for special temporary arrangements to overcome funding problems for IDA VI, and for an early start to consideration of IDA VII. We will give special encouragement to programmes or arrangements designed to increase food and energy production in developing countries which have to import these essentials, and to programmes to address the implications of population growth.

—In the field of balance of payments support, we look forward to progress at the September IMF annual meeting towards settling the increase in the size of the fund appropriate to the coming Eighth Quota Review.

—Revitalization and growth of the world economy will depend not only on our own effort but also to a large extent upon cooperation among our countries and with other countries in the exploitation of scientific and technological development. We have to exploit the immense opportunities presented by the new technologies, particularly for creating new employment. We need to remove barriers to, and to promote, the development of the trade in new technologies both in the public sector and in the private sector. Our countries will need to train men and women in the new technologies and to create the economic, social and cultural conditions which allow these technologies to develop and flourish. We have considered the report presented to us on these issues by the President of the French Republic. In this context we have decided to set up promptly a working group of representatives of our governments and of the European Community to develop, in close consultation with the appropriate international institutions, especially the OECD, proposals to give help to attain these objectives. This group will be asked to submit its report to us by 31 December 1982. The conclusion of the report and the resulting action will be considered at the next economic summit to be held in 1983 in the United States of America.

Statement of International Monetary Undertakings

1. We accept a joint responsibility to work for greater stability of the world monetary system. We recognize that this rests primarily on convergence of policies designed to achieve lower inflation, higher employment and renewed economic growth; and thus to maintain the internal and external values of our currencies. We are determined to discharge this obligation in close collaboration with all interested countries and monetary institutions.

2. We attach major importance to the role of the IMF as a monetary authority and we will give it our full support in its efforts to foster stability.

3. We are ready to strengthen our cooperation with the IMF in its work of surveillance; and to develop this on a multilateral basis taking into account particularly the currencies constituting the SDR.

4. We rule out the use of our exchange rates to gain unfair competitive advantages.

5. We are ready, if necessary, to use intervention in exchange markets to counter disorderly conditions, as provided for under Article IV of the IMF Articles of Agreement.

6. Those of us who are members of the EMS consider that these undertakings are complementary to the obligations of stability which that have already undertaken in that framework.

7. We are all convinced that greater monetary stability will assist freer flows of goods, services and capital. We are determined to see that greater monetary stability and freer flows of trade and capital reinforce one another in the interest of economic growth and employment.

Note: As printed above, the item follows a text of the communique provided by the Department of State.

Remarks Following a Meeting With Pope John Paul II in Vatican City

June 7, 1982

The President. Your Holiness, your Eminences, your Excellencies, members of the clergy, and ladies and gentlemen:

On behalf of myself and for all Americans, I want to express profound appreciation to you, Your Holiness, and to all of those from the Holy City who made it possible for us to meet in Vatican City.

This is truly a city of peace, love, and charity, where the highest to the humblest among us seek to follow in the footsteps of the fishermen. As you know, Your Holiness, this is my first visit to Europe as President. And I would like to think of it as a pilgrimage for peace, a journey aimed at strengthening the forces for peace in the free West by offering new opportunities for realistic negotiations with those who may not share the values of freedom and the spirit we cherish.

This is no easy task, but I leave this audience with a renewed sense of hope and dedication. Hope—because one cannot meet a man like Your Holiness without feeling that a world that can produce such courage and vision out of adversity and oppression is capable, with God's help, of building a better future. Dedication—because one cannot enter this citadel of faith, the fountainhead of so many of the values we in the free West hold dear, without coming away resolved to do all in one's power to live up to them.

Certain common experiences we've shared in our different walks of life, Your Holiness, and the warm correspondence we've carried on, also, gave our meeting a special meaning for me. I hope that others will follow. Let me add that all Americans remember with great warmth your historic visit to our shores in 1979. We all hope that you'll be back again with your timeless message. Ours is a nation grounded on faith, faith in man's ability through God-given freedom to live in tolerance and peace and faith that a Supreme Being guides our daily striving in this world. Our national motto, "In God We Trust," reflects that faith.

Many of our earliest settlers came to America seeking a refuge where they could worship God unhindered, so our dedication to individual freedom is wedded to religious freedom as well. Liberty has never meant license to Americans. We treasure it precisely because it protects the human and spiritual values that we hold most dear: the right to worship as we choose, the right to elect democratic leaders, the right to choose the type of education we want for our children, and freedom from fear, want, and oppression. These are God-given freedoms, not the contrivances of man.

We also believe in helping one another through our churches and charitable institutions or simply as one friend, one good Samaritan to another. The Ten Commandments and the Golden Rule are as much a part of our living heritage as the Constitution we take such pride in. And we have tried—not always successfully, but always in good conscience—to extend those same principles to our role in the world.

We know that God has blessed America with the freedom and abundance many of our less fortunate brothers and sisters around the world have been denied. Since the end of World War II, we have done our best to provide assistance to them, assistance amounting to billions of dollars worth of food, medicine, and materials. And we'll continue to do so in the years ahead. Americans have always believed that in the words of the Scripture, "Unto whomsoever much is given, of him shall be much required."

To us, in a troubled world, the Holy See and your pastorate represent one of the world's greatest moral and spiritual forces. We admire your active efforts to foster peace and promote justice, freedom, and compassion in a world that is still stalked by the forces of evil. As a people and as a government, we seek to pursue the same goals of peace, freedom, and humanity along political and economic lines that the Church pursues in its spiritual role. So, we deeply value your counsel and support and express our solidarity with you.

Your Holiness, one of the areas of our mutual concern is Latin America. We want to work closely with the Church in that area to help promote peace, social justice, and reform, and to prevent the spread of repression and godless tyranny. We also share your concern in seeking peace and justice in troubled areas of the Middle East, such as Lebanon.

Another special area of mutual concern is the martyred nation of Poland—your own homeland. Through centuries of adversity, Poland has been a brave bastion of faith and freedom in the hearts of her courageous people, if not in those who rule her.

We seek a process of reconciliation and reform that will lead to a new dawn of hope for the people of Poland, and we'll continue to call for an end to martial law, for the freeing of all political prisoners, and to resume dialog among the Polish Government, the Church, and the Solidarity movement which speaks for the vast majority of Poles. While denying financial assistance to the oppressive Polish regime, America will continue to provide the Polish people with as much food and commodity support as possible through church and private organizations.

Today, Your Holiness, marks the beginning of the United Nations Special Session on Disarmament. We pledge to do everything possible in these discussions, as in our individual initiatives for peace and arms reduction, to help bring a real, lasting peace throughout the world. To us, this is nothing less than a sacred trust.

Dante has written that, "The infinite goodness has such wide arms that it takes whatever turns to it." We ask your prayers, Holy Father, that God will guide us in our efforts for peace on this journey and in the years ahead and that the wide arms of faith and forgiveness can some day embrace a world at peace, with justice and compassion for all mankind.

The Pope. Mr. President, I am particularly pleased to welcome you today to the Vatican. Although we have already had many contacts, it is the first time that we have met personally.

In you, the President of the United States of America, I greet all the people of your great land. I still remember vividly the warm welcome that I was given by millions of your fellow citizens less than 3 years ago. On that occasion, I was once more able to witness firsthand the vitality of your nation. I was able to see again how the moral and spiritual values transmitted by your Founding Fathers find their dynamic expression in the life of modern America.

The American people are indeed proud of their right to life, liberty, and the pursuit of happiness. They are proud of civil and social progress in American society as well as their extraordinary advances in science and technology.

As I speak to you today, it is my hope that the entire structure of American life will rest ever more securely on the strong foundation of moral and spiritual values. Without the fostering and defense of these values, all human advancement is stunted and the very dignity of the human person is endangered.

Throughout the course of their history, and especially in difficult times, the American people have repeatedly risen to challenges presented to them. They have given many proofs of unselfishness, generosity, concern for others, concern for the poor, the needy, the oppressed. They have shown confidence in that great ideal of being a united people with a mission of service to perform.

At this present moment in the history of the world, the United States is called, above all, to fulfill its mission in the service of world peace. The very condition of the world today calls for a far-sighted policy that will favor those indispensable conditions of justice and freedom, of truth and love, that are the foundations of lasting peace.

Mr. President, my own greatest preoccupation is for the peace of the world, peace in our day.

In many parts of the world, there are centers of acute tension. This acute tension is manifested above all in the crisis of the South Atlantic, in the war between Iran and Iraq, and, now, in the grave crisis provoked by the new events in Lebanon. This grave crisis in Lebanon likewise merits the attention of the world because of the danger it contains of further provocation in the Middle East, with immense consequences for world peace.

There are, fortunately, many factors in society that today positively contribute to peace. These positive factors include an increasing realization of the interdependence of all peoples, the growing solidarity with those in need, and a greater conviction of the absurdity of war as a means of resolving controversies between nations.

During my recent visit to Britain, I stated in particular that the scale and the horror of modern warfare, whether nuclear or not, makes it totally unacceptable as a means of settling differences between nations. And for those who profess the Christian faith, I offer it as motivation the fact that when you are in contact with the Prince of Peace, you understand how totally opposed to His message are hatred and war.

The duty of peace falls especially upon the leaders of the world. It is up to the representatives of governments and peoples to work to free humanity not only from wars and conflicts but from the fear that is generated by ever more sophisticated and deadly weapons.

Peace is not only the absence of war; it also involves reciprocal trust between nations, a trust that is manifested and proved through constructive negotiations that aim at ending the arms race and at liberating immense resources that can be used to alleviate misery and feed millions of hungry human beings.

All effective peacemaking requires foresightedness, for foresightedness is a quality needed in all peacemakers. You, your own great nation is called to exercise this foresightedness as are all the nations of the world. This quality enables leaders to commit themselves to those concrete programs which are essential to world peace—programs of justice and development, efforts to defend and protect human life, as well as initiatives that favor human rights. On the contrary, anything that wounds, weakens, or dishonors human dignity in any aspect imperils the cause of the human person and at the same time the peace of the world.

The relations between nations are greatly affected by the development issue which preserves its full relevance in this day of ours. Success in resolving questions in the North-South dialog will continue to be the gates of peaceful relations between values, political communities, and continue to influence the peace of the world in the years ahead.

Economic and social advancement linked to financial collaboration between peoples remains an apt goal for the renewed efforts of the statesmen of the world.

A truly universal concept of the common good of the human family is an incomparable instrument in building the edifice of the world today. It is my own conviction that a united and concerned America can contribute immensely to the cause of world peace through the efforts of her leaders and the commitment of all her citizens. Dedicated to the high ideals of her traditions, America is in a splendid position to help all humanity enjoy what she herself is intent on possessing.

With faith in God and belief in universal human solidarity may America step forward in this crucial moment in history to consolidate her rightful place at the service of world peace. In this sense, Mr. President, I repeat today those words that I spoke when I left the United States in 1979. My final prayer is this: that God will bless America so that she may increasingly become and truly be and long remain one nation under God, indivisible, with liberty and justice for all.

Thank you very much.

Note: The President spoke at 12:41 p.m. in the Papal Library at the Vatican Palace following his private meeting with the Pope.

Remarks in Vatican City at a Meeting With American Seminarians From the North America College and American Priests

June 7, 1982

Your Holiness, Your Eminences, and you ladies and gentlemen from America:

Thank you very much. I am sure that the Gipper did not get even that much applause. [*Laughter*] But I hope you can realize what this means to Nancy and myself—the warmth of your greeting—but also here in this holy place to meet together with all of you.

I've had the great honor and pleasure and the benefit of words of wisdom from His Holiness about the problems that concern us all in the world today and about our land and have had the great pleasure, and hope that goes with it, that he will once again visit the United States. I pointed out this time—if many of you will forgive me—I pointed out the great need for such a visit to reach the western half. [*Laughter*]

But, again, there's little more I can say except to thank you and to say, once again, I'm sure that many of us, millions and millions in the world, have had our faith renewed, and our belief, that in times of great need, God does send someone here to help us in those times. And I think in this holy man, He has once again done that when the need was so very great. And we're all grateful, and thank God for him.

Note: The President spoke at 1:10 p.m. in the Clementine Room at the Vatican Palace.

Toast at a Luncheon Meeting With Italian President Alessandro Pertini in Rome

June 7, 1982

It's a genuine privilege to be here today and, most especially, as the guest of President Pertini. The poet Robert Browning wrote, "Open my heart and you will see 'graved inside of it Italy."

As countless immigrants to my nation's shores would confirm, Italy is engraved inside millions of American hearts. And, Mr. President, after your recent trip to the United States, the name Pertini also is engraved in our hearts.

In my time at the White House, I don't remember as beautiful and moving a gesture as the kiss you planted on our flag that March morning. That kiss touched all the citizens of my country. We were deeply honored.

And, Mr. President, I want to say personally how honored I feel to call you *amico.* The word "friend" certainly characterizes the relationship between Italy and the United States. We're drawn together by the blood of our people and the bonds of our Western ideals. We share a devotion to liberty and the determination to preserve that liberty for ourselves and our descendants.

Yes, we live in difficult times that test our beliefs. The independence and freedom of people the world over are threatened by the expansion of totalitarian regimes and by the brutal crimes of international terrorism. But let me say I am optimistic. The West simply needs to believe in itself and in its own leadership to succeed.

Italy and her people are abundant in that leadership. Italy has made hard but self-confident choices in recent years. The Atlantic Alliance is firm in large part because of Italian determination to assume major responsibilities within NATO for our common defense. Prospects for peace are improved because of Italy's contribution to such efforts as the Sinai Multi-National Force.

The free world better appreciates human dignity and justice thanks to Italy's principled stand on Afghanistan and Poland. And, of course, there is Italy's integrity in the face of terrorism. And let me cite here the brilliant operation that freed General Dozier.

These issues have required difficult decisions. They have required political decisiveness beyond the ordinary. So, I want to pay special tribute to you, President Pertini, Prime Minister Spadolini, Foreign Minister Colombo, and to the entire Italian Government for the resolution you've shown and the example that you have given.

In return, I want to assure you that the United States stands behind you in defending the values of the West. The Atlantic Alliance is still the heart of our foreign policy, and that heart beats for peace and freedom.

The United States is fortunate to enjoy the friendship of Italy and the Italian people. We are wiser for your counsel and stronger for your partnership. Like the great Virgil, we Americans believe: As long as rivers shall run down to the sea or shadows touch the mountain slopes or stars graze in the vaulted heavens, so long shall your honor, your name, your praises endure.

Mr. President, *amico,* ladies and gentlemen, may I propose a toast to Italy and to her honor, her name, and her praises. May they long endure.

Note: The President spoke at approximately 3 p.m. in the Hall of Mirrors at the Quirinale Palace, the residence of the Italian President. He spoke in response to a toast proposed by President Pertini.

Earlier, President Pertini greeted President Reagan in a brief arrival ceremony, and then the two Presidents met in President Pertini's office at the Palace.

Following the luncheon meeting, the President went to Chigi Palace, where he met with Prime Minister Giovanni Spadolini. While he was at Chigi Palace, the President participated in a brief ceremony honoring the Italian police who freed Brig. Gen. James L. Dozier, Deputy Chief of

Staff, Logistics and Administration, Allied Land Forces Southern Europe, from his Red Brigade captors in Verona, Italy, on December 17, 1981.

Joint Statement Following Meetings in Rome With President Alessandro Pertini and Prime Minister Giovanni Spadolini of Italy

June 7, 1982

At the invitation of the President of the Italian Republic, Sandro Pertini, the President of the United States of America, Ronald Reagan, paid a visit to Rome on June 7th, 1982. The visit provided an opportunity for the two Presidents to have a productive exchange of views. Two useful meetings were held between President Reagan and the President of the Council of Ministers, Giovanni Spadolini. President Reagan took the opportunity to thank President Pertini for his recent state visit to the United States and conveyed to him the warm good wishes of the American government and the American people. President Pertini expressed to President Reagan his appreciation for the warm reception he enjoyed in the United States.

Presidents Reagan and Pertini reviewed the threat which international terrorism presents to the free world and noted with satisfaction the successes of the Italian and other Western governments in combatting this menace. The two Presidents also reviewed international trouble spots including Afghanistan, Poland, and Central and South America; the two reaffirmed their strongest commitment to the preservation and restoration of freedom and justice for all men. They noted their shared hope for a cessation of hostilities in the South Atlantic. The two Heads of State concluded their meeting with an affirmation of the strength of U.S.-Italian bonds and a review of those common values on which the two societies have been built.

Prime Minister Spadolini and President Reagan, first between themselves and then along with Minister of Foreign Affairs Emilio Colombo and Secretary of State Alexander Haig, reviewed a number of questions facing the two countries, including the 1979 decision by NATO to place intermediate range nuclear forces in Europe, together with the offer to the Soviet Union for simultaneous negotiations on control and limitation of such weapons; and the overall Middle East situation, with special attention to the two most urgent questions in that area at the moment; the Lebanese situation where it is of the utmost urgency to bring a cessation of the fighting. On the Iran-Iraq conflict—the two sides agreed on the need for a political settlement respecting the territorial integrity of both nations.

In addition they reviewed the validity of both countries' participation in the Sinai multinational force and the prospects for the dialogue on Palestinian autonomy. They also examined East-West relations, including questions of trade and credit and issues related to economic and monetary cooperation between the two countries. The two Heads of Government reaffirmed their commitment to a policy aiming at a growing level of economic and commercial relations between the two countries in order to fight against inflation, promote growth and thereby employment.

President Reagan reviewed his proposals for the worldwide reduction of strategic nuclear weapons and for the reduction of intermediate-range nuclear forces in Europe. Prime Minister Spadolini noted with approval the recent announcement that the START talks will begin in Geneva on June 29. The two said they shared the aspirations of many of the young people who were marching for peace, took note of the institutions and policies which have kept the peace in Europe for almost forty years, and urged the Soviet Union to respond positively to proposals which have been made by the United States.

The Prime Minister and the President viewed with pleasure the new initiative for the exchange of young students between their countries which will begin in 1982.

The two governments agreed to begin regular meetings to discuss cultural and information matters with the desire to improve cultural programs and in order to examine means of strengthening relations in these fields. The first cultural and information talks will be held in Washington in October.

The two sides concluded their talks by welcoming recent decisions to strengthen mutual consultations as an expression of the special and close relationship which Italy and the United States enjoy.

Address to Members of the British Parliament

June 8, 1982

My Lord Chancellor, Mr. Speaker:

The journey of which this visit forms a part is a long one. Already it has taken me to two great cities of the West, Rome and Paris, and to the economic summit at Versailles. And there, once again, our sister democracies have proved that even in a time of severe economic strain, free peoples can work together freely and voluntarily to address problems as serious as inflation, unemployment, trade, and economic development in a spirit of cooperation and solidarity.

Other milestones lie ahead. Later this week, in Germany, we and our NATO allies will discuss measures for our joint defense and America's latest initiatives for a more peaceful, secure world through arms reductions.

Each stop of this trip is important, but among them all, this moment occupies a special place in my heart and in the hearts of my countrymen—a moment of kinship and homecoming in these hallowed halls.

Speaking for all Americans, I want to say how very much at home we feel in your house. Every American would, because this is, as we have been so eloquently told, one of democracy's shrines. Here the rights of free people and the processes of representation have been debated and refined.

It has been said that an institution is the lengthening shadow of a man. This institution is the lengthening shadow of all the men and women who have sat here and all those who have voted to send representatives here.

This is my second visit to Great Britain as President of the United States. My first opportunity to stand on British soil occurred almost a year and a half ago when your Prime Minister graciously hosted a diplomatic dinner at the British Embassy in Washington. Mrs. Thatcher said then that she hoped I was not distressed to find staring down at me from the grand staircase a portrait of His Royal Majesty King George III. She suggested it was best to let bygones be bygones, and in view of our two countries' remarkable friendship in succeeding years, she added that most Englishmen today would agree with Thomas Jefferson that "a little rebellion now and then is a very good thing." [*Laughter*]

Well, from here I will go to Bonn and then Berlin, where there stands a grim symbol of power untamed. The Berlin Wall, that dreadful gray gash across the city, is in its third decade. It is the fitting signature of the regime that built it.

And a few hundred kilometers behind the Berlin Wall, there is another symbol. In the center of Warsaw, there is a sign that notes the distances to two capitals. In one direction it points toward Moscow. In the other it points toward Brussels, headquarters of Western Europe's tangible unity. The marker says that the distances from Warsaw to Moscow and Warsaw to Brussels are equal. The sign makes this point: Poland is not East or West. Poland is at the center of European civilization. It has contributed mightily to that civilization. It is doing so today by being magnificently unreconciled to oppression.

Poland's struggle to be Poland and to secure the basic rights we often take for granted demonstrates why we dare not take those rights for granted. Gladstone, defending the Reform Bill of 1866, declared, "You cannot fight against the future. Time is on our side." It was easier to believe in the march of democracy in Gladstone's day—in that high noon of Victorian optimism.

We're approaching the end of a bloody century plagued by a terrible political invention—totalitarianism. Optimism comes less easily today, not because democracy is less vigorous, but because democracy's enemies have refined their instruments of repression. Yet optimism is in order, because day by day democracy is proving itself to be a not-at-all-fragile flower. From Stettin on the Baltic to Varna on the Black Sea, the regimes planted by totalitarianism have had more than 30 years to establish their legitimacy. But none—not one regime—has yet been able to risk free elections. Regimes planted by bayonets do not take root.

The strength of the Solidarity movement in Poland demonstrates the truth told in an underground joke in the Soviet Union. It is that the Soviet Union would remain a one-party nation even if an opposition party were permitted, because everyone would join the opposition party. [*Laughter*]

America's time as a player on the stage of world history has been brief. I think understanding this fact has always made you patient with your younger cousins—well, not always patient. I do recall that on one occasion, Sir Winston Churchill said in exasperation about one of our most distinguished diplomats: "He is the only case I know of a bull who carries his china shop with him." [*Laughter*]

But witty as Sir Winston was, he also had that special attribute of great statesmen—the gift of vision, the willingness to see the future based on the experience of the past. It is this sense of history, this understanding of the past that I want to talk with you about today, for it is in remembering what we share of the past that our two nations can make common cause for the future.

We have not inherited an easy world. If developments like the Industrial Revolution, which began here in England, and the gifts of science and technology have made life much easier for us, they have also made it more dangerous. There are threats now to our freedom, indeed to our very existence, that other generations could never even have imagined.

There is first the threat of global war. No President, no Congress, no Prime Minister, no Parliament can spend a day entirely free of this threat. And I don't have to tell you that in today's world the existence of nuclear weapons could mean, if not the extinction of mankind, then surely the end of civilization as we know it. That's why negotiations on intermediate-range nuclear forces now underway in Europe and the START talks—Strategic Arms Reduction Talks—which will begin later this month, are not just critical to American or Western policy; they are critical to mankind. Our commitment to early success in these negotiations is firm and unshakable, and our purpose is clear: reducing the risk of war by reducing the means of waging war on both sides.

At the same time there is a threat posed to human freedom by the enormous power of the modern state. History teaches the dangers of government that overreaches—political control taking precedence over free economic growth, secret police, mindless bureaucracy, all combining to stifle individual excellence and personal freedom.

Now, I'm aware that among us here and throughout Europe there is legitimate disagreement over the extent to which the public sector should play a role in a nation's economy and life. But on one point all of us are united—our abhorrence of dictatorship in all its forms, but most particularly totalitarianism and the terrible inhumanities it has caused in our time—the great purge, Auschwitz and Dachau, the Gulag, and Cambodia.

Historians looking back at our time will note the consistent restraint and peaceful intentions of the West. They will note that it was the democracies who refused to use the threat of their nuclear monopoly in the forties and early fifties for territorial or imperial gain. Had that nuclear monopoly been in the hands of the Communist world, the map of Europe—indeed, the world—would look very different today. And certainly they will note it was not the democracies that invaded Afghanistan or su-pressed Polish Solidarity or used chemical and toxin warfare in Afghanistan and Southeast Asia.

If history teaches anything it teaches self-delusion in the face of unpleasant facts is folly. We see around us today the marks of our terrible dilemma—predictions of doomsday, antinuclear demonstrations, an arms race in which the West must, for its own protection, be an unwilling participant. At the same time we see totalitarian forces in the world who seek subversion and conflict around the globe to further their barbarous assault on the human spirit. What, then, is our course? Must civilization perish in a hail of fiery atoms? Must freedom wither in a quiet, deadening accommodation with totalitarian evil?

Sir Winston Churchill refused to accept the inevitability of war or even that it was imminent. He said, "I do not believe that Soviet Russia desires war. What they desire is the fruits of war and the indefinite expansion of their power and doctrines. But what we have to consider here today while time remains is the permanent prevention of war and the establishment of conditions of freedom and democracy as rapidly as possible in all countries."

Well, this is precisely our mission today: to preserve freedom as well as peace. It may not be easy to see; but I believe we live now at a turning point.

In an ironic sense Karl Marx was right. We are witnessing today a great revolutionary crisis, a crisis where the demands of the economic order are conflicting directly with those of the political order. But the crisis is happening not in the free, non-Marxist West, but in the home of Marxist-Leninism, the Soviet Union. It is the Soviet Union that runs against the tide of history by denying human freedom and human dignity to its citizens. It also is in deep economic difficulty. The rate of growth in the national product has been steadily declining since the fifties and is less than half of what it was then.

The dimensions of this failure are astounding: A country which employs one-fifth of its population in agriculture is unable to feed its own people. Were it not for the private sector, the tiny private sector tolerated in Soviet agriculture, the country might be on the brink of famine. These private plots occupy a bare 3 percent of the arable land but account for nearly one-quarter of Soviet farm output and nearly one-third of meat products and vegetables. Overcentralized, with little or no incentives, year after year the Soviet system pours its best resource into the making of instruments of destruction. The constant shrinkage of economic growth combined with the growth of military production is putting a heavy strain on the Soviet people. What we see here is a political structure that no longer corresponds to its economic base, a society where productive forces are hampered by political ones.

The decay of the Soviet experiment should come as no surprise to us. Wherever the comparisons have been made between free and closed societies—West Germany and East Germany, Austria and Czechoslovakia, Malaysia and Vietnam—it is the democratic countries what are prosperous and responsive to the needs of their people. And one of the simple but overwhelming facts of our time is this: Of all the millions of refugees we've seen in the modern world, their flight is always away from, not toward the Communist world. Today on the NATO line, our military forces face east to prevent a possible invasion. On the other side of the line, the Soviet forces also face east to prevent their people from leaving.

The hard evidence of totalitarian rule has caused in mankind an uprising of the intellect and will. Whether it is the growth of the new schools of economics in America or England or the appearance of the so-called new philosophers in France, there is one unifying thread running through the intellectual work of these groups—rejection of the arbitrary power of the state, the refusal to subordinate the rights of the individual to the superstate, the realization that collectivism stifles all the best human impulses.

Since the exodus from Egypt, historians have written of those who sacrificed and struggled for freedom—the stand at Thermopylae, the revolt of Spartacus, the storming of the Bastille, the Warsaw uprising in World War II. More recently we've seen evidence of this same human impulse in one of the developing nations in Central

America. For months and months the world news media covered the fighting in El Salvador. Day after day we were treated to stories and film slanted toward the brave freedom-fighters battling oppressive government forces in behalf of the silent, suffering people of that tortured country.

And then one day those silent, suffering people were offered a chance to vote, to choose the kind of government they wanted. Suddenly the freedom-fighters in the hills were exposed for what they really are—Cuban-backed guerrillas who want power for themselves, and their backers, not democracy for the people. They threatened death to any who voted, and destroyed hundreds of buses and trucks to keep the people from getting to the polling places. But on election day, the people of El Salvador, an unprecedented 1.4 million of them, braved ambush and gunfire, and trudged for miles to vote for freedom.

They stood for hours in the hot sun waiting for their turn to vote. Members of our Congress who went there as observers told me of a women who was wounded by rifle fire on the way to the polls, who refused to leave the line to have her wound treated until after she had voted. A grandmother, who had been told by the guerrillas she would be killed when she returned from the polls, and she told the guerrillas, "You can kill me, you can kill my family, kill my neighbors, but you can't kill us all." The real freedom-fighters of El Salvador turned out to be the people of that country—the young, the old, the in-between.

Strange, but in my own country there's been little if any news coverage of that war since the election. Now, perhaps they'll say it's—well, because there are newer struggles now.

On distant islands in the South Atlantic young men are fighting for Britain. And, yes, voices have been raised protesting their sacrifice for lumps of rock and earth so far away. But those young men aren't fighting for mere real estate. They fight for a cause—for the belief that armed aggression must not be allowed to succeed, and the people must participate in the decisions of government—[*applause*]—the decisions of government under the rule of law. If there had been firmer support for that principle some 45 years ago, perhaps our generation wouldn't have suffered the bloodletting of World War II.

In the Middle East now the guns sound once more, this time in Lebanon, a country that for too long has had to endure the tragedy of civil war, terrorism, and foreign intervention and occupation. The fighting in Lebanon on the part of all parties must stop, and Israel should bring its forces home. But this is not enough. We must all work to stamp out the scourge of terrorism that in the Middle East makes war an ever-present threat.

But beyond the troublespots lies a deeper, more positive pattern. Around the world today, the democratic revolution is gathering new strength. In India a critical test has been passed with the peaceful change of governing political parties. In Africa, Nigeria is moving into remarkable and unmistakable ways to build and strengthen its democratic institutions. In the Caribbean and Central America, 16 of 24 countries have freely elected governments. And in the United Nations, 8 of the 10 developing nations which have joined that body in the past 5 years are democracies.

In the Communist world as well, man's instinctive desire for freedom and self-determination surfaces again and again. To be sure, there are grim reminders of how brutally the police state attempts to snuff out this quest for self-rule—1953 in East Germany, 1956 in Hungary, 1968 in Czechoslovakia, 1981 in Poland. But the struggle continues in Poland. And we know that there are even those who strive and suffer for freedom within the confines of the Soviet Union itself. How we conduct ourselves here in the Western democracies will determine whether this trend continues.

No, democracy is not a fragile flower. Still it needs cultivating. If the rest of this century is to witness the gradual growth of freedom and democratic ideals, we must take actions to assist the campaign for democracy.

Some argue that we should encourage democratic change in right-wing dictatorships, but not in Communist regimes. Well, to accept this preposterous notion—as some well-meaning people have—is to invite the argument that once countries achieve a nuclear capability, they should be allowed an undisturbed reign of terror over their own citizens. We reject this course.

As for the Soviet view, Chairman Brezhnev repeatedly has stressed that the competition of ideas and systems must continue and that this is entirely consistent with relaxation of tensions and peace.

Well, we ask only that these systems begin by living up to their own constitutions, abiding by their own laws, and complying with the international obligations they have undertaken. We ask only for a process, a direction, a basic code of decency, not for an instant transformation.

We cannot ignore the fact that even without our encouragement there has been and will continue to be repeated explosions against repression and dictatorships. The Soviet Union itself is not immune to this reality. Any system is inherently unstable that has no peaceful means to legitimize its leaders. In such cases, the very repressiveness of the state ultimately drives people to resist it, if necessary, by force.

While we must be cautious about forcing the pace of change, we must not hesitate to declare our ultimate objectives and to take concrete actions to move toward them. We must be staunch in our conviction that freedom is not the sole prerogative of a lucky few, but the inalienable and universal right of all human beings. So states the United Nations Universal Declaration of Human Rights, which, among other things, guarantees free elections.

The objective I propose is quite simple to state: to foster the infrastructure of democracy, the system of a free press, unions, political parties, universities, which allows a people to choose their own way to develop their own culture, to reconcile their own differences through peaceful means.

This is not cultural imperialism, it is providing the means for genuine self-determination and protection for diversity. Democracy already flourishes in countries with very different cultures and historical experiences. It would be cultural condescension, or worse, to say that any people prefer dictatorship to democracy. Who would voluntarily choose not to have the right to vote, decide to purchase government propaganda handouts instead of independent newspapers, prefer government to worker-controlled unions, opt for land to be owned by the state instead of those who till it, want government repression of religious liberty, a single political party instead of a free choice, a rigid cultural orthodoxy instead of democratic tolerance and diversity?

Since 1917 the Soviet Union has given covert political training and assistance to Marxist-Leninists in many countries. Of course, it also has promoted the use of violence and subversion by these same forces. Over the past several decades, West European and other Social Democrats, Christian Democrats, and leaders have offered open assistance to fraternal, political, and social institutions to bring about peaceful and democratic progress. Appropriately, for a vigorous new democracy, the Federal Republic of Germany's political foundations have become a major force in this effort.

We in America now intend to take additional steps, as many of our allies have already done, toward realizing this same goal. The chairmen and other leaders of the national Republican and Democratic Party organizations are initiating a study with the bipartisan American political foundation to determine how the United States can best contribute as a nation to the global campaign for democracy now gathering force. They will have the cooperation of congressional leaders of both parties, along with representatives of business, labor, and other major institutions in our society. I look forward to receiving their recommendations and to working with these institutions and the Congress in the common task of strengthening democracy throughout the world.

It is time that we committed ourselves as a nation—in both the pubic and private sectors—to assisting democratic development.

We plan to consult with leaders of other nations as well. There is a proposal before the Council of Europe to invite parliamentarians from democratic countries to a meeting next year in Strasbourg. That prestigious gathering could consider ways to help democratic political movements.

This November in Washington there will

take place an international meeting on free elections. And next spring there will be a conference of world authorities on constitutionalism and self-goverment hosted by the Chief Justice of the United States. Authorities from a number of developing and developed countries—judges, philosophers, and politicians with practical experience—have agreed to explore how to turn principle into practice and further the rule of law.

At the same time, we invite the Soviet Union to consider with us how the competition of ideas and values—which it is committed to support—can be conducted on a peaceful and reciprocal basis. For example, I am prepared to offer President Brezhnev an opportunity to speak to the American people on our television if he will allow me the same opportunity with the Soviet people. We also suggest that panels of our newsmen periodically appear on each other's television to discuss major events.

Now, I don't wish to sound overly optimistic, yet the Soviet Union is not immune from the reality of what is going on in the world. It has happened in the past—a small ruling elite either mistakenly attempts to ease domestic unrest through greater repression and foreign adventure, or it chooses a wiser course. It begins to allow its people a voice in their own destiny. Even if this latter process is not realized soon, I believe the renewed strength of the democratic movement, complemented by a global campaign for freedom, will strengthen the prospects for arms control and a world at peace.

I have discussed on other occasions, including my address on May 9th, the elements of Western policies toward the Soviet Union to safeguard our interests and protect the peace. What I am describing now is a plan and a hope for the long term—the march of freedom and democracy which will leave Marxism-Leninism on the ash-heap of history as it has left other tyrannies which stifle the freedom and muzzle the self-expression of the people. And that's why we must continue our efforts to strengthen NATO even as we move forward with our Zero-Option initiative in the negotiations on intermediate-range forces and our proposal for a one-third reduction in strategic ballistic missile warheads.

Our military strength is a prerequisite to peace, but let it be clear we maintain this strength in the hope it will never be used, for the ultimate determinant in the struggle that's now going on in the world will not be bombs and rockets, but a test of wills and ideas, a trial of spiritual resolve, the values we hold, the beliefs we cherish, the ideals to which we are dedicated.

The British people know that, given strong leadership, time and a little bit of hope, the forces of good ultimately rally and triumph over evil. Here among you is the cradle of self-government, the Mother of Parliaments. Here is the enduring greatness of the British contribution to mankind, the great civilized ideas: individual liberty, representative government, and the rule of law under God.

I've often wondered about the shyness of some of us in the West about standing for these ideals that have done so much to ease the plight of man and the hardships of our imperfect world. This reluctance to use those vast resources at our command reminds me of the elderly lady whose home was bombed in the Blitz. As the rescuers moved about, they found a bottle of brandy she'd stored behind the staircase, which was all that was left standing. And since she was barely conscious, one of the workers pulled the cork to give her a taste of it. She came around immediately and said, "Here now—there now, put it back. That's for emergencies." [*Laughter*]

Well, the emergency is upon us. Let us be shy no longer. Let us go to our strength. Let us offer hope. Let us tell the world that a new age is not only possible but probable.

During the dark days of the Second World War, when this island was incandescent with courage, Winston Churchill exclaimed about Britain's adversaries, "What kind of a people do they think we are?" Well, Britain's adversaries found out what extraordinary people the British are. But all the democracies paid a terrible price for allowing the dictators to underestimate us. We dare not make that mistake again. So, let us ask ourselves, "What kind of people do we think we are?" And let us answer, "Free people, worthy of freedom and determined not only to remain so but to help others gain their freedom as well."

Sir Winston led his people to great victory in war and then lost an election just as the fruits of victory were about to be enjoyed. But he left office honorably, and, as it turned out, temporarily, knowing that the liberty of his people was more important than the fate of any single leader. History recalls his greatness in ways no dictator will ever know. And he left us a message of hope for the future, as timely now as when he first uttered it, as opposition leader in the Commons nearly 27 years ago, when he said, "When we look back on all the perils through which we have passed and at the mighty foes that we have laid low and all the dark and deadly designs that we have frustrated, why should we fear for our future? We have," he said, "come safely through the worst."

Well, the task I've set forth will long outlive our own generation. But together, we too have come through the worst. Let us now begin a major effort to secure the best—a crusade for freedom that will engage the faith and fortitude of the next generation. For the sake of peace and justice, let us move toward a world in which all people are at last free to determine their own destiny.

Thank you.

Note: The President spoke at 12:14 p.m. in the Royal Gallery at the Palace of Westminster in London.

On the previous evening, the President was greeted by Queen Elizabeth II in an arrival ceremony at Windsor Castle, near Windsor, England. Later, the Queen hosted a private dinner for the President.

On the morning of June 8, the President and the Queen spent part of the morning horseback riding on the Windsor Castle grounds.

Toasts of the President and British Prime Minister Margaret Thatcher at a Luncheon Honoring the President in London

June 8, 1982

The Prime Minister. We are here today to welcome and to honor our great ally, the United States of America. Mr. President, Mrs. Reagan, it's a privilege and a pleasure to have you both here with us. It's rare enough to have an American President as a guest at Number 10, but my researchers have been unable to find out when we last had the honor of the First Lady at Number 10 as well.

President and Mrs. Reagan, your presence gives me and, indeed, many of our guests a chance to repay as best we can the hospitality you bestowed on us when we were your first official guests from abroad at the beginning of your Presidential term of office. I realize, of course, that you've both become accustomed recently to taking your meals in rather grander places—[*laughter*]—the Palace of Versailles and Windsor Castle. As you can see, this is a very simple house, one which has witnessed the shaping of our shared history since it first became the abode of Prime Ministers in 1732.

Mr. President, some of us were present this morning to hear your magnificent speech to members of both Houses of Parliament in the historic setting of the Royal Gallery. It was, if I may say so, respectfully, a triumph. We are so grateful to you for putting freedom on the offensive, which is where it should be. You wrote a new chapter in our history—no longer on the defensive but on the offensive. It was, if I might say so, an exceedingly hard act to follow. [*Laughter*] But I will try to be brief.

Much has been said and written over the years, Mr. President, about the relations between our two countries. And there's no need for me to add to the generalities on the subject today, because we've had before our eyes in recent weeks the most concrete expression of what, in practice, our friendship means. I refer to your awareness of our readiness to resist aggression in the Falklands even at great sacrifice and to our awareness of your readiness to give support to us even at considerable costs to American interests.

It is this preparedness on both sides for sacrifices in the common interest and, indeed, in the wider interest that characterizes our partnership. And I should like to pay tribute to you, Mr. President, and to you, Mr. Secretary Haig, whom I also greet here heartily today, and through you to the American people for your predictably generous response.

Believe me, Mr. President, we don't take it for granted. We are grateful from the depth of our national being for your tremendous efforts in our support.

Mr. President, your mission to London and to other capitals of Europe is a remarkable one, and we are fully conscious both of its symbolism and of its substance.

From the day you took office, you were determined to breathe new life into the Alliance. One of your predecessors, also much loved in this, our country, President Eisenhower, put it so well when he said, "One truth must rule all we think and all we do. The unity of all who dwell in freedom is their only sure defense."

You recognized how central your allies were to American interests, and vice versa. But no country, however strong, can remain an island in the modern world. And I want you to know how fully we reciprocate your conviction about the need for a dynamic, two-way alliance.

We here also realize, Mr. President, what you have done, both to increase immediate American military strength and to reanimate talks on arms reductions, objectives that must go hand in hand. You've seized the initiative in East-West relations, and as seen by us in Western Europe, that is already a considerable achievement.

May I also stress what you stand for in international economic life, your commitment to an open world trade system, whatever the immediate pressures for restriction. That is our role, too, and we will strive for it alongside you.

Mr. President, both before and since you took office, I've come to know you as a personal friend who can be relied on in times of danger, who's not going to compromise on the values of the free world, who seeks the reduction of world tensions and the strengthening of world security, who will do everything possible to encourage creative enterprise and initiative, who wants the individual to flourish in freedom, in justice, and in peace.

But I've found in my 3 years in office, as I'm sure my predecessors did—and we're delighted to see some of them here today—that there is one further characteristic that is dominant to those concerned with policy. I refer to our ability to discuss with you problems of common interest—which means in today's world practically everything—to discuss them freely and candidly, not necessarily always agreeing, but giving and taking advice as family friends, without exciting anxiety or envy.

You, Mr. President, and you, Mr. Haig, have always shown this spirit. It's something unique between us and is of priceless value to the cause we both share.

You, Mr. President, this morning, quoted our greatest statesman of this century, Winston Churchill. You well know that in Parliament Square, as well as Winston Churchill, there stands the statue of Abraham Lincoln who, in his most famous speech of all at Gettysburg—and I was very worried this morning when the Chancellor, too, quoted Gettysburg. And I thought, "Has he trumped my ace again!" [*Laughter*] But you know we all adore the Lord Chancellor who, in his own inimitable way, put everything we felt so much.

But you know that speech at Gettysburg—every sentence is a quote. He gave one of them. May I say another of them which, I believe, fits in with the cause which you and I share. You'll remember that Abraham Lincoln, on that famous occasion, said: The world will little note nor long remember what we say here, but it can never forget what they did here. It is for us the living to be dedicated here to the unfinished work that they who fought here have thus far so nobly advanced.

It is in that spirit and mindful of that unfinished work, that I ask you all to rise and drink a toast to the enduring alliance between the United States and the United Kingdom, coupled with the names of the President and Mrs. Reagan. The alliance, the President, and Mrs. Reagan: to your health, success, and happiness.

The President. Well, Madam Prime Minister, it's a pleasure to meet again with such a respected and trusted friend. Nancy and I are honored to be your guests and guests of the British people. Our friendship began in this great city just before you took office. Then, as now, I enjoyed the visit very much. "When a man is tired of London," Samuel Johnson said, "he is tired of life. For there is in London all that life can afford." Well, he was right. I'm very glad to be alive, and I love London. [*Laughter*] It's great to be back.

When you were our guests in Washington last year, Madam Prime Minister, you said you had come across the Atlantic with a message. "Britain," you said, "stands with America. When America looks for friends, Britain will be there." Well, your words touched the hearts of our people. We were very grateful. So let me tell you that we, too, have crossed the ocean with a message: America stands with Britain, and I mean that.

The Prime Minister. I know that.

The President. These are difficult days for both our peoples. We're gripped by recession, concerned about aggression and instability in the world. No longer can we rest on comfortable assumptions about our economies or our security. Together and independently, our two countries have acted to renew and protect our way of life. We're restoring incentives and opportunities in our marketplaces by reducing excessive taxation and regulation. By lifting the heavy hand of government, we're placing our faith in the working men and women of Britain and the United States.

Our two countries have been united in commitment to free trade, and we are both making economic sacrifices for the sake of Western security. But an important challenge still looms before us: the protection of our personal freedoms and national interests in the face of hostile ideologies and enormous military threats. We must find the right balance of deterrent forces and arms reductions to secure a lasting peace for generations to come.

The United Kingdom is a great symbol of Western thought and values. The British people are known for their vision and dedication. Yours has been an empire of ideas, nourishing freedom and creating wealth around the globe. Here is, as I said earlier today, the birthplace of representative government, constitutional rights, and economic freedom—a body of ideas that has raised the standard of living and improved the quality of life for more people in less time than any that ever came before.

Your leadership, Madam Prime Minister, has also been far-seeing and courageous, returning your country and your people to the roots of their strength. You remind me of something one of our wiser Americans, the late Will Rogers, once said about the paradox of being a great leader. He said, "The fellow that can only see a week ahead is always the popular fellow for he's looking with the crowd. The great leader, the true leader, has a telescope. His biggest problem is getting people to believe he has it." [*Laughter*]

But you have a telescope and your focus is true. You also have the eloquence and the determination necessary to lead, and your people have the wisdom and the tenacity to persevere. We Americans believe this combination promises great things for not only Great Britain but for the world.

Nancy and I thank you for this warm reception among friends. I would like to propose a toast and, again, similar in that it's to the bonds between our people, but also to the Right Honorable Margaret Thatcher, Prime Minister of the United Kingdom, and Mr. Thatcher, and to the Queen. To the Queen.

Note: Prime Minister Thatcher spoke at 2:25 p.m. at Number 10 Downing Street, her London residence.

Following the luncheon, the President returned to Windsor Castle.

Toasts of the President and Queen Elizabeth II at a Dinner Honoring the President at Windsor Castle in England

June 8, 1982

The Queen. Mr. President, I'm so glad to welcome you and Mrs. Reagan to Britain.

Prince Phillip and I are especially delighted that you have come to be our guests at Windsor Castle, since this has been the home of the Kings and Queens of our country for over 900 years.

I greatly enjoyed our ride together this morning, and I was much impressed by the way in which you coped so professionally with a strange horse and a saddle that must have seemed even stranger. [*Laughter*]

We hope these will be enjoyable days for you in Britain, as enjoyable as our stays have always been in the United States. We shall never forget the warmth and hospitality of your people in 1976 as we walked through the crowds in Philadelphia, Washington, New York, and Boston to take part in the celebrations of the Bicentennial of American Independence.

Two hundred years before that visit, one of my ancestors had played a seemingly disastrous role in your affairs. [*Laughter*] Yet, had King George III been able to foresee the long-term consequences of his actions, he might not have felt so grieved about the loss of his colonies.

Out of the War of Independence grew a great nation, the United States of America. And later there was forged a lasting friendship between the new nation and the country to whom she owed so much of her origins. But that friendship must never be taken for granted, and your visit gives me the opportunity to reaffirm and to restate it.

Our close relationship is not just based on history, kinship, and language, strong and binding though these are. It is based on the same values and the same beliefs, evolved over many years in these islands since Magna Carta and vividly stated by the Founding Fathers of the United States.

This has meant that over the whole range of human activity, the people of the United States and the people of Britain are drawing on each other's experience and enriching each other's lives. Of course, we do not always think and act alike, but through the years our common heritage, based on the principles of common law, has prevailed over our diversity. And our toleration has moderated our arguments and misunderstandings.

Above all, our commitment to a common cause has led us to fight together in two World Wars and to continue to stand together today in the defense of freedom.

These past weeks have been testing ones for this country, when, once again, we have had to stand up for the cause of freedom. The conflict in the Falkland Islands was thrust on us by naked aggression, and we are naturally proud of the way our fighting men are serving their country. But throughout the crisis, we have drawn comfort from the understanding of our position shown by the American people. We have admired the honesty, patience, and skill with which you have performed your dual role as ally and intermediary.

In return, we can offer an understanding of how hard it is to bear the daunting responsibilities of world power. The fact that your people have shouldered that burden for so long now, never losing the respect and affection of your friends, is proof of a brave and generous spirit.

Our respect extends beyond the bounds of statesmanship and diplomacy. We greatly admire the drive and enterprise of your commercial life. And we, therefore, welcome the confidence which your business community displays in us by your massive investment in this country's future. And we also like to think we might have made some contribution to the extraordinary success story of American business.

In darker days, Winston Churchill surveyed the way in which the affairs of the British Empire, as it then was, and the United States would become, in his words, "somewhat mixed up." He welcomed the prospect. "I could not stop it if I wished," he said. "No one can stop it. Like the Mississippi, it just keeps rolling along. Let it roll." How right he was. There can be few nations whose destinies have been so inextricably interwoven as yours and mine.

Your presence at Versailles has highlighted the increasing importance, both to Britain and to America, of cooperation among the industrial democracies. Your visit tomorrow to Bonn underlines the importance to both our countries of the continued readiness of the people of the Western Alliance to defend the ways of life which we all share and cherish. Your stay in my country reflects not only the great traditions that hold Britain and the United States together but above all, the personal affection that the British and American people have for one another. This is the bedrock on which our relationship stands.

Mr. President, I raise my glass to you and to Mrs. Reagan, to Anglo-American friendship, and to the prosperity and happiness of the people of the United States.

The President. Your Majesty, Your Royal Highness, Nancy and I are honored to be your guests at this beautiful and historic castle. It was from here that Richard the Lion-Hearted rode out to the Crusades, and from here that his brother, King John, left to sign the Magna Carta. It's a rare privilege to be even a momentary part of the rich history of Windsor Castle.

As we rode over these magnificent grounds this morning, I thought again about how our people share, as you have mentioned, a common past. We are bound by so much more than just language. Many of our values, beliefs, and principles of government were nurtured on this soil. I also thought of how our future security and prosperity depend on the continued unity of Britain and America.

This place symbolizes both tradition and renewal, as generation after generation of your family makes it their home. We in America share your excitement about the impending birth of a child to the Prince and the Princess of Wales. We pray that God will continue to bless your family with health, happiness, and wisdom.

It's been said that the greatest glory of a free-born people is to transmit that freedom to their children. That is a responsibility our people share. Together, and eager for peace, we must face an unstable world where violence and terrorism, aggression and tyranny constantly encroach on human rights. Together, committed to the preservation of freedom and our way of life, we must strengthen a weakening international order and restore the world's faith in peace and the rule of law.

We in the free world share an abiding faith in our people and in the future of mankind. The challenge of freedom is to reject an unacceptable present for what we can cause the future to be. Together, it is within our power to confront the threats to peace and freedom and to triumph over them.

Your Majesty, Nancy and I and all of our party are very grateful for your invitation to visit Great Britain and for your gracious hospitality. Our visit has been enormously productive and has strengthened the ties that bind our peoples.

I would like to propose that we raise our glasses to Her Majesty the Queen of the United Kingdom, to the continued unity of our two nations, the preservation of our freedom for generations to come. I propose a toast to Her Majesty the Queen.

Note: Queen Elizabeth II spoke at 9:47 p.m. in St. George's Hall.

Remarks of the President and British Prime Minister Margaret Thatcher to Reporters Following a Breakfast Meeting in London

June 9, 1982

The Prime Minister. May we report to you on the talks we've had and the way we think that this whole visit has gone.

Of course there is always a very great

welcome in Britain for a visit by our great ally and friend, the United States. But this visit has been something more than an ordinary welcome. It's been an extraordinarily warm welcome, which I think we must attribute to the way in which President Reagan has appealed to the hearts and minds of our people.

The reception he's had, not only from Parliament—which was a triumph—but also from the people of this country who listened to his speech before Parliament, that reception has been one of great affection and one which recognizes that here is a leader who can put to the uncommitted nations of the world the fact that we in Britain and the United States have a cause in freedom and justice that is worth striving for and worth proclaiming. And we do indeed thank him for that and congratulate him most warmly on everything—all the speeches and everything he's done—since he has been with us for this very brief visit. It is a triumph for him as well as a great joy to have our ally and friend with us.

We have, of course, discussed matters of defense in the context of East-West relations. Once again we take a similar view. We cannot depend upon the righteousness of our cause for security; we can only depend upon our sure defense. But we recognize at the same time that it is important to try to get disarmament talks started so that the balance of forces and the deterrents can be conducted at a lower level of armaments. In this, again, the President has seized the initiative and given a lead, and we wish those talks very well when they start. And we'll all be behind him in what he is doing.

This morning we have also discussed the question of what is happening in the Middle East. We have discussed it in a very wide context. As you would expect, we are wholly agreed on the United Nations Security Council Resolution 508, that there must be cessation of hostilities coupled with withdrawal. And the United Kingdom is wholly behind Mr. Habib in the efforts he is making to bring that about. We have discussed it also in the very much wider context of the whole difficult problems of the Middle East, which we've all been striving to solve for so many years now.

Finally, I would like once again to record our thanks to our American friends, to the President and to Mr. Secretary Haig for the staunch support they've given us and continue to give us over the Falkland Islands and their realization that we must make it seem to the world over that aggression cannot pay. They have been most helpful, most staunch, and not only we but the whole of the British people thank them for it.

Altogether, if I may sum up, this has been a tremendously successful visit and one which we shall long remember both in our minds and in our hearts.

The President. Thank you very much.

Well, I have no words to thank Prime Minister Thatcher for those very kind words that she said with regard to us. Let me just say that Nancy and I will be leaving here with warm hearts and great gratitude for the hospitality that has been extended to us and the pleasure that we've had here in addition to the worthwhile meetings and the accomplishments that have already been outlined.

We did discuss, as the Prime Minister told you, a number of the troublespots in the world: Lebanon—and found ourselves in agreement with regard to the U.N. Resolution 508, the hope for a ceasefire and a withdrawal of all the hostile forces there, and had a chance again to reiterate our support of the British position in the Falklands, that armed aggression cannot be allowed to succeed in today's world.

We had what we think were worthwhile meetings at the economic summit in Versailles. And now we go on to the NATO meeting, and our goals there we are also agreed upon: solidarity of the members of the Alliance; strength, dialog, and the urging of restraint on the Soviet Union; and responsibility and our agreement on going forward with realistic arms control that means arms reduction, not just—as in the past—some efforts to limit the increase in those weapons, but to bring about a realistic, verifiable decrease and thus further remove the possibility of war.

And, again, let me just finish by saying that this has been a most important meeting for us and a very heartwarming experience every minute that we've been here. And we leave strengthened with the knowledge that the great friendship and the great alliance that has existed for so long between our two peoples—the United Kingdom and the United States—remains and is, if anything, stronger than it has ever been.

Note: Prime Minister Thatcher spoke at approximately 10:30 a.m. outside Number 10 Downing Street.

Also attending the breakfast were Secretary of State Alexander M. Haig, Jr., and British Secretary of State for Foreign & Commonwealth Affairs Francis Pym. Following the breakfast, they were joined by other American and British officials.

Address Before the Bundestag in Bonn, Federal Republic of Germany

June 9, 1982

Mr. President, Chancellor Schmidt, members of the Bundestag, distinguished guests:

Perhaps because I've just come from London, I have this urge to quote the great Dr. Johnson who said, "The feeling of friendship is like that of being comfortably filled with roast beef." [*Laughter*] Well, I feel very much filled with friendship this afternoon, and I bring you the warmest regards and goodwill of the American people.

I'm very honored to speak to you today and, thus, to all the people of Germany. Next year, we will jointly celebrate the 300th anniversary of the first German settlement in the American Colonies. The 13 families who came to our new land were the forerunners of more than 7 million German immigrants to the United States. Today, more Americans claim German ancestry than any other.

These Germans cleared and cultivated our land, built our industries, and advanced our arts and sciences. In honor of 300 years of German contributions in America, President Carstens and I have agreed today that he will pay an official visit to the United States in October of 1983 to celebrate the occasion.

The German people have given us so much, we like to think that we've repaid some of that debt. Our American Revolution was the first revolution in modern history to be fought for the right of self-government and the guarantee of civil liberties. That spirit was contagious. In 1849, the Frankfurt Parliament's statement of basic human rights guaranteed freedom of expression, freedom of religion, and equality before the law. And these principles live today in the basic law of the Federal Republic. Many peoples to the east still wait for such rights.

The United States is proud of your democracy, but we cannot take credit for it. Heinrich Heine, in speaking of those who built the awe-inspiring cathedrals of medieval times, said that, "In those days people had convictions. We moderns have only opinions, and it requires something more than opinions," he said, "to build a Gothic cathedral." Well, over the past 30 years, the convictions of the German people have built a cathedral of democracy—a great and glorious testament to your ideals. We in America genuinely admire the free society that you have built in only a few decades, and we understand all the better what you have accomplished because of our own history.

Americans speak with the deepest reverence of those Founding Fathers and first citizens who gave us the freedom that we enjoy today. And even though they lived over 200 years ago, we carry them in our hearts as well as in our history books.

I believe future generations of Germans will look to you here today and to your fellow Germans with the same profound respect and appreciation. You have built a free society with an abiding faith in human dignity—the crowning ideal of Western civilization. This will not be forgotten. You will be saluted and honored by this Republic's descendants over the centuries to come.

Yesterday, before the British Parliament, I spoke of the values of Western civilization and the necessity to help all peoples gain the institutions of freedom. In many ways, in many places, our ideals are being tested today. We are meeting this afternoon between two important summits—the gathering of leading industrial democracies at Versailles and the assembly of the Atlantic Alliance here in Bonn tomorrow. Critical and complex problems face us, but our dilemmas will be made easier if we remember our partnership is based on a common Western heritage and a faith in democracy.

I believe this partnership of the Atlantic Alliance nations is motivated primarily by the search for peace—inner peace for our citizens and peace among nations. Why inner peace? Because democracy allows for self-expression. It respects man's dignity and creativity. It operates by a rule of law, not by terror or coercion. It is government with the consent of the governed. As a result, citizens of the Atlantic Alliance enjoy an unprecedented level of material and spiritual well-being, and they're free to find their own personal peace.

We also seek peace among nations. The Psalmist said, "Seek peace and pursue it." Well, our foreign policies are based on this principle and directed toward this end. The noblest objective of our diplomacy is the patient and difficult task of reconciling our adversaries to peace. And I know we all look forward to the day when the only industry of man [war][1] will be the research of historians.

But the simple hope for peace is not enough. We must remember something that Friedrich Schiller said: "The most pious man can't stay in peace if it doesn't please his evil neighbor." So, there must be a method to our search, a method that recognizes the dangers and realities of the world.

During Chancellor Schmidt's state visit to Washington last year, I said that your Republic was "perched on a cliff of freedom." I wasn't saying anything the German people do not already know. Living as you do in the heart of a divided Europe, you can see more clearly than others that there are governments at peace neither with their own peoples nor the world.

I don't believe any reasonable observer can deny that there is a threat to both peace and freedom today. It is as stark as that gash of a border that separates the German people. We're menaced by a power that openly condemns our values and answers our restraint with a relentless military buildup.

[*At this point, two members of the audience began heckling the President. The heckling continued intermittently during this part of the President's address.*]

We cannot simply assume every nation wants the peace that we so earnestly desire. The Polish people would tell us there are those who would use military force to repress others who want only basic human rights. The freedom fighters of Afghanistan would tell us as well that the threat of aggression has not receded from the world.

Without a strengthened Atlantic security, the possibility of military coercion will be very great. We must continue to improve our defenses if we're to preserve peace and freedom. This is——[*Referring to the hecklers, one of whom at this point shouted a reference to El Salvador:*] Is there an echo in here? [*Laughter and applause*]

But this preserving peace and freedom is not an impossible task. For almost 40 years, we have succeeded in deterring war. Our method has been to organize our defensive capabilities, both nuclear and conventional, so that an aggressor could have no hope of military victory. The Alliance has carried its strength not as a battle flag, but as a banner of peace. Deterrence has kept that peace, and we must continue to take the steps necessary to make deterrence credible.

This depends in part on a strong America. A national effort, entailing sacrifices by the American people, is now underway to make long-overdue improvements in our military posture. The American people support this effort because they understand how fundamental it is to keeping the peace they so fervently desire.

We also are resolved to maintain the presence of well-equipped and trained forces in Europe, and our strategic forces will be modernized and remain committed to the Alliance. By these actions, the people of the United States are saying, "We are with you Germany; you are not alone." Our adversaries would be foolishly mistaken should they gamble that Americans would abandon their Alliance responsibilities, no matter how severe the test.

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[1] *White House correction.*

Alliance security depends on a fully credible conventional defense to which all allies contribute. There is a danger that any conflict could escalate to a nuclear war. Strong conventional forces can make the danger of conventional or nuclear conflict more remote. Reasonable strength in and of itself is not bad; it is honorable when used to maintain peace or defend deeply held beliefs.

One of the first chores is to fulfill our commitments to each other by continuing to strengthen our conventional defenses. This must include improving the readiness of our standing forces and the ability of those forces to operate as one. We must also apply the West's technological genius to improving our conventional deterrence.

There can be no doubt that we as an Alliance have the means to improve our conventional defenses. Our peoples hold values of individual liberty and dignity that time and again they've proven willing to defend. Our economic energy vastly exceeds that of our adversaries. Our free system has produced technological advances that other systems, with their stifling ideologies, cannot hope to equal. All of these resources are available to our defense.

Yes, many of our nations currently are experiencing economic difficulties; yet we must nevertheless guarantee that our security does not suffer as a result. We've made strides in conventional defense over the last few years despite our economic problems, and we've disproved the pessimists who contend that our efforts are futile. The more we close the conventional gap, the less the risks of aggression or nuclear conflict.

The soil of Germany and of every other Ally is of vital concern to each member of the Alliance. And this fundamental commitment is embodied in the North Atlantic Treaty. But it will be an empty pledge unless we ensure that American forces are ready to reinforce Europe, and Europe is ready to receive them.

I'm encouraged by the recent agreement on wartime host-nation support. This pact strengthens our ability to deter aggression in Europe and demonstrates our common determination to respond to attack. Just as each Ally shares fully in the security of the Alliance, each is responsible for shouldering a fair share of the burden. Now that, of course, often leads to a difference of opinion, and criticism of our Alliance is as old as the partnership itself. But voices have now been raised on both sides of the Atlantic that mistake the inevitable process of adjustment within the Alliance for a dramatic divergence of interests.

Some Americans think that Europeans are too little concerned for their own security. Some would unilaterally reduce the number of American troops deployed in Europe. And in Europe itself, we hear the idea that the American presence, rather than contributing to peace, either has no deterrent value or actually increases the risk that our Allies may be attacked.

These arguments ignore both the history and the reality of the transatlantic coalition. Let me assure you that the American commitment to Europe remains steady and strong. Europe's shores are our shores. Europe's borders are our borders. And we will stand with you in defense of our heritage of liberty and dignity.

The American people recognize Europe's substantial contributions to our joint security. Nowhere is that contribution more evident than here in the Federal Republic. German citizens host the forces of six nations. German soliders and reservists provide the backbone of NATO's conventional deterrent in the heartland of Europe. Your Bundeswehr is a model for the integration of defense needs with a democratic way of life, and you have not shrunk from the heavy responsibility of accepting the nuclear forces necessary for deterrence.

I ask your help in fulfilling another responsibility. Many American citizens don't believe that their counterparts in Europe, especially younger citizens, really understand the United States presence there.

Now, if you'll work toward explaining the U.S. role to people on this side of the Atlantic, I'll explain it to those on the other side.

In recent months, both in your country and mine, there has been renewed public concern about the threat of nuclear war and the arms buildup. I know it's not easy, especially for the German people, to live in the gale of intimidation that blows from the east.

If I might quote Heine again, he almost foretold the fears of nuclear war when he wrote, "Wild, dark times are rumbling toward us, and the prophet who wishes to write a new apocalypse will have to invent entirely new beasts, and beasts so terrible that the ancient animal symbols will seem like cooing doves and cupids in comparison." The nuclear threat is a terrible beast. Perhaps the banner carried in one of the nuclear demonstrations here in Germany said it best. The sign read, "I am afraid."

Well, I know of no Western leader who doesn't sympathize with that earnest plea. To those who march for peace, my heart is with you. I would be at the head of your parade if I believed marching alone could bring about a more secure world. And to the 2,800 women in Filderstadt who spent a petition for peace to President Brezhnev and me, let me say I, myself, would sign your petition if I thought it could bring about harmony. I understand your genuine concerns.

The women of Filderstadt and I share the same goal. The question is how to proceed. We must think through the consequences of how we reduce the dangers to peace.

Those who advocate that we unilaterally forego the modernization of our forces must prove that this will enhance our security and lead to moderation by the other side—in short, that it will advance, rather than undermine, the preservation of the peace. The weight of recent history does not support this notion.

Those who demand that we renounce the use of a crucial element of our deterrent strategy must show how this would decrease the likelihood of war. It is only by comparison with a nuclear war that the suffering caused by conventional war seems a lesser evil. Our goal must be to deter war of any kind.

And those who decry the failure of arms control efforts to achieve substantial results must consider where the fault lies. I would remind them that it is the United States that has proposed to ban land-based intermediate-range nuclear missiles—the missiles most threatening to Europe. It is the United States that has proposed and will pursue deep cuts in strategic systems. It is the West that has long sought the detailed exchanges of information on forces and effective verification procedures. And it is dictatorships, not democracies, that need militarism to control their own people and impose their system on others.

To those who've taken a different viewpoint and who can't see this danger, I don't suggest that they're ignorant, it's just that they know so many things that aren't true.

We in the West—Germans, Americans, our other Allies—are deeply committed to continuing efforts to restrict the arms competition. Common sense demands that we persevere. I invite those who genuinely seek effective and lasting arms control to stand behind the far-reaching proposals that we've put forward. In return, I pledge that we will sustain the closest of consultations with our Allies.

On November 18th, I outlined a broad and ambitious arms control program. One element calls for reducing land-based intermediate-range nuclear missiles to zero on each side. If carried out, it would eliminate the growing threat to Western Europe posed by the U.S.S.R.'s modern SS–20 rockets, and it would make unnecessary the NATO decision to deploy American intermediate-range systems. And, by the way, I cannot understand why among some, there is a greater fear of weapons NATO is to deploy than of weapons the Soviet Union already has deployed.

Our proposal is fair because it imposes equal limits and obligations on both sides, and it calls for significant reductions, not merely a capping of an existing high level of destructive power. As you know, we've made this proposal in Geneva, where negotiations have been underway since the end of November last year. We intend to pursue those negotiations intensively. I regard them as a significant test of the Soviets' willingness to enter into meaningful arms control agreements.

On May 9th, we proposed to the Soviet Union that Strategic Arms Reductions Talks begin this month in Geneva. The U.S.S.R. has agreed, and talks will begin on June 29th. We in the United States want to focus on the most destabilizing systems, and thus reduce the risk of war. And that's why in the first phase, we propose to reduce substantially the number of ballistic missile warheads and the missiles themselves. In the second phase, we will seek an equal ceiling on other elements of our strategic forces, including ballistic missile throw-weight, at less than current American levels. We will handle cruise missiles and bombers in an equitable fashion. We will negotiate in good faith and undertake these talks with the same seriousness of purpose that has marked our preparations over the last several months.

Another element of the program I outlined was a call for reductions in conventional forces in Europe. From the earliest postwar years, the Western democracies have faced the ominous reality that massive Soviet conventional forces would remain stationed where they do not belong. The muscle of Soviet forces in Central Europe far exceeds legitimate defense needs. Their presence is made more threatening still by a military doctrine that emphasizes mobility and surprise attack. And as history shows, these troops have built a legacy of intimidation and repression. In response, the NATO allies must show they have the will and capacity to deter any conventional attack or any attempt to intimidate us. Yet, we also will continue the search for responsible ways to reduce NATO and Warsaw Pact military personnel to equal levels.

In recent weeks, we in the Alliance have consulted on how best to invigorate the Vienna negotiations on Mutual and Balanced Force Reductions. Based on these consultations, Western representatives in the Vienna talks soon will make a proposal by which the two alliances would reduce their respective ground force personnel in verifiable stages to a total of 700,000 men and their combined ground and air force personnel to a level of 900,000 men.

While the agreement would not eliminate the threat nor spare our citizens the task of maintaining a substantial defense force, it could constitute a major step toward a safer Europe for both East and West. It could lead to military stability at lower levels and lessen the dangers of miscalculation and a surprise attack, and it also would demonstrate the political will of the two alliances to enhance stability by limiting their forces in the central area of their military competition.

The West has established a clear set of goals. We, as an Alliance, will press forward with plans to improve our own conventional forces in Europe. At the same time, we propose an arms control agreement to equalize conventional forces at a significantly lower level.

We will move ahead with our preparations to modernize our nuclear forces in Europe. But, again, we also will work unceasingly to gain acceptance in Geneva of our proposal to ban land-based, intermediate-range nuclear missiles.

In the United States, we will move forward with the plans I announced last year to modernize our strategic nuclear forces, which play so vital a role in maintaining peace by deterring war. Yet, we also have proposed that Strategic Arms Reductions Talks begin. We will pursue them determinedly.

In each of these areas, our policies are based on the conviction that a stable military balance at the lowest possible level will help further the cause of peace. The other side will respond in good faith to these initiatives only if it believes we are resolved to provide for our own defense. Unless convinced that we will unite and stay united behind these arms control initiatives and modernization programs, our adversaries will seek to divide us from one another and our people from their leaders.

I'm optimistic about our relationship with the Soviet Union if the Western nations remain true to their values and true to each other. I believe in Western civilization and its moral power. I believe deeply in the principles the West esteems. And guided by these ideals, I believe we can find a no-nonsense, workable, and lasting policy that will keep the peace.

Earlier, I said the German people had built a remarkable cathedral of democracy. But we still have other work ahead. We must build a cathedral of peace, where nations are safe from war and where people need not fear for their liberties. I've heard the history of the famous cathedral of Cologne—how those beautiful soaring spires miraculously survived the destruction all around them, including part of the church itself.

Let us build a cathedral as the people of Cologne built theirs—with the deepest commitment and determination. Let us build as they did—not just for ourselves but for the generations beyond. For if we construct our peace properly, it will endure as long as the spires of Cologne.

Thank you very much.

Note: The President spoke at 4:22 p.m. in the Bundeshaus.

Earlier in the day, the President was welcomed in an arrival ceremony by German President Karl Carstens at Villa Hammerschmidt, President Carstens' residence. President Reagan then went to the Chancellory for a meeting with Chancellor Helmut Schmidt.

Following his appearance before the Bundestag, the President met with Helmut Kohl, leader of the Christian-Democratic Union, and then he returned to the Chancellory to receive a gift of two bald eagles from the German Government. He then went to Gymnich Castle, where he stayed during his visit in Bonn.

In the evening, the President attended a dinner at Bruhl Castle hosted by President Carstens for the 16 heads of state and heads of government attending the meeting of the North Atlantic Council.

Statement on the Conflict in Lebanon

June 9, 1982

On behalf of the United States, I am issuing an appeal today to all countries to join in an international humanitarian effort to help the victims of the conflict in Lebanon.

As part of that effort, I am today asking Congress to provide $20 million in relief and rehabilitation assistance for Lebanon.

In the meantime, we are making available immediately an additional $5 million in emergency assistance for foodstuffs, shelter, medicines, and other critically needed relief supplies.

Documents Issued at the Conclusion of the North Atlantic Council Meetings Held in Bonn, Federal Republic of Germany

June 10, 1982

Declaration of the Heads of State and Government Participating in the Meeting of the North Atlantic Council at Bonn, 10th June, 1982

1. We, the representatives of the 16 members of the North Atlantic Alliance, reaffirm our dedication to the shared values and ideals on which our transatlantic partnership is based.

2. The accession of Spain to the North Atlantic Treaty, after its peaceful change to parliamentary democracy, bears witness to the vitality of the Alliance as a force for peace and freedom.

3. Our Alliance has preserved peace for a third of a century. It is an association of free nations joined together to preserve their security through mutual guarantees and collective self-defence as recognised by the United Nations Charter. It remains the essential instrument for deterring aggression

by means of a strong defence and strengthening peace by means of constructive dialogue. Our solidarity in no way conflicts with the right of each of our countries to choose its own policies and internal development, and allows for a high degree of diversity. Therein lies our strength. In a spirit of mutual respect, we are prepared to adjust our aims and interests at all times through free and close consultations; these are the core of everyday Allied co-operation and will be intensified appropriately. We are a partnership of equals, none dominant and none dominated.

4. The Soviet Union, for its part, requires the countries associated with it to act as a bloc, in order to preserve a rigid and imposed system. Moreover, experience shows that the Soviet Union is ultimately willing to threaten or use force beyond its own frontiers. Afghanistan and the Soviet attitude with regard to the Polish crisis show this clearly. The Soviet Union has devoted over the past decade a large part of its resources to a massive military build-up, far exceeding its defence needs and supporting the projection of military power on a global scale. While creating a threat of these dimensions, Warsaw Pact governments condemn Western defence efforts as aggressive. While they ban unilateral disarmament movements in their own countries, they support demands for unilateral disarmament in the West.

5. International stability and world peace require greater restraint and responsibility on the part of the Soviet Union. We, for our part, reaffirming the principles and purposes of the Alliance, set forth our Programme for Peace in Freedom:

(a) Our purpose is to prevent war and, while safeguarding democracy, to build the foundations of lasting peace. None of our weapons will ever be used except in response to attack. We respect the sovereignty, equality, independence and territorial integrity of all states. In fulfilment of our purpose, we shall maintain adequate military strength and political solidarity. On that basis, we will persevere in efforts to establish, whenever Soviet behaviour makes this possible, a more constructive East-West relationship through dialogue, negotiation and mutually advantageous co-operation.

(b) Our purpose is to preserve the security of the North Atlantic area by means of conventional and nuclear forces adequate to deter aggression and intimidation. This requires a sustained effort on the part of all the Allies to improve their defence readiness and military capabilities, without seeking military superiority. Our countries have the necessary resources to undertake this effort. The presence of North American armed forces in Europe and the United States strategic nuclear commitment to Europe remain integral to Allied security. Of equal importance are the maintenance and continued improvement of the defence capabilities of the European members of the Alliance. We will seek to achieve greater effectiveness in the application of national resources to defence, giving due attention to possibilities for developing areas of practical co-operation. In this respect the Allies concerned will urgently explore ways to take full advantage both technically and economically of emerging technologies. At the same time steps will be taken in the appropriate fora to restrict Warsaw Pact access to Western militarily relevant technology.

(c) Our purpose is to have a stable balance of forces at the lowest possible level, thereby strengthening peace and international security. We have initiated a comprehensive series of proposals for militarily significant, equitable and verifiable agreements on the control and reduction of armaments. We fully support the efforts of the United States to negotiate with the Soviet Union for substantial reductions in the strategic nuclear weapons of the two countries, and for the establishment of strict and effective limitations on their intermediate-range nuclear weapons, starting with the total elimination of their land-based intermediate-range missiles, which are of most concern to each side. We will continue to seek substantial reductions of conventional forces on both sides in Europe, and to reach agreement on measures which will serve to build confidence and enhance security in the whole of Europe.

To this end, those of us whose countries participate in the negotiations on Mutal and Balanced Force Reductions in Vienna have agreed on a new initiative to give fresh impetus to these negotiations. We will also play an active part in wider international talks on arms control and disarmament; at the Second United Nations Special Session on Disarmament which has just opened in New York, we will work to give new momentum to these talks.

(d) Our purpose is to develop substantial and balanced East-West relations aimed at genuine detente. For this to be achieved, the sovereignty of all states, wherever situated, must be respected, human rights must not be sacrificed to state interests, the free movement of ideas must take the place of one-sided propaganda, the free movement of persons must be made possible, efforts must be made to achieve a military relationship characterised by stability and openness, and in general all principles and provisions of the Helsinki Final Act in their entirety must be applied. We, for our part, will always be ready to negotiate in this spirit and we look for tangible evidence that this attitude is reciprocated.

(e) Our purpose is to contribute to peaceful progress worldwide; we will work to remove the causes of instability such as under-development or tensions which encourage outside interference. We will continue to play our part in the struggle against hunger and poverty. Respect for genuine non-alignment is important for international stability. All of us have an interest in peace and security in other regions of the world. We will consult together as appropriate on events in these regions which may have implications for our security, taking into account our commonly identified objectives. Those of us who are in a position to do so will endeavour to respond to requests for assistance from sovereign states whose security and independence is threatened.

(f) Our purpose is to ensure economic and social stability for our countries, which will strengthen our joint capacity to safeguard our security. Sensitive to the effects of each country's policies on others, we attach the greatest importance to the curbing of inflation and a return to sustained growth and to high levels of employment.

While noting the important part which our economic relations with the Warsaw Pact countries can play in the development of a stable East-West relationship, we will approach those relations in a prudent and diversified manner consistent with our political and security interests. Economic relations should be conducted on the basis of a balanced advantage for both sides. We undertake to manage financial relations with the Warsaw Pact countries on a sound economic basis, including commercial prudence also in the granting of export credits. We agree to exchange information in the appropriate fora on all aspects of our economic, commercial and financial relations with Warsaw Pact countries.

6. Nowhere has our commitment to common basic values been demonstrated more clearly than with regard to the situation in Germany and Berlin. We remain committed to the security and freedom of Berlin and continue to support efforts to maintain the calm situation in and around the city. The continued success of efforts by the Federal Republic of Germany to improve the relationship between the two German states is important to the safeguarding of peace in Europe. We recall that the rights and responsibilities of the Four Powers relating to Berlin and Germany as a whole remain unaffected and confirm our support for the political objective of the Federal Republic of Germany to work towards a state of peace in Europe in which the German people regains its unity through free self-determination.

7. We condemn all acts of international terrorism. They constitute flagrant violations of human dignity and rights and are a threat to the conduct of normal international relations. In accordance with our national legislation, we stress the need for the most effective co-operation possible to prevent and suppress this scourge.

8. We call upon the Soviet Union to abide by internationally accepted standards of behaviour without which there can be no prospect of stable international relations, and to join now with us in the search for constructive relations, arms reductions and world peace.

Document on Integrated NATO Defence

As indicated in the Declaration of today, we, the representatives of those members of the North Atlantic Alliance taking part in its integrated defence structure, hereby set out our detailed positions on defence. We welcome the intention of Spain to participate in the integrated defence structure, and the readiness of the President of the Spanish Government to associate himself with this document, while noting that the modalities of Spanish participation have still to be worked out.

Pursuant to the principles set out in the Programme for Peace and Freedom, we agree that, in accordance with current NATO defense plans, and within the context of NATO strategy and its triad of forces, we will continue to strengthen NATO's defence posture, with special regard to conventional forces. Efforts of our nations in support of the decisions reached at Washington in 1978 have led to improved defensive capabilities. Notwithstanding this progress, it is clear, as documented in the recently published comparison of NATO and Warsaw Pact forces, that continuing efforts are essential to Alliance security. Against this background, we will:

—Fulfil to the greatest extent possible the NATO Force Goals for the next six years, including measures to improve the readiness of the standing forces and the readiness and mobilization capability of reserve forces. Note was taken of the recently concluded agreement between the United States and the Federal Republic of Germany for wartime host nation support.

—Continue to implement measures identified in the Long-Term Defence Programme designed to enhance our overall defence capabilities.

—Continue to improve NATO planning procedures and explore other ways of achieving greater effectiveness in the application of national resources to defence, especially in the conventional field. In that regard, we will continue to give due attention to fair burden-sharing and to possibilities for developing areas of practical co-operation from which we can all benefit.

—Explore ways to take full advantage both technically and economically of emerging technologies, especially to improve conventional defence, and take steps necessary to restrict the transfer of militarily relevant technology to the Warsaw Pact.

Noting that developments beyond the NATO area may threaten our vital interests, we reaffirm the need to consult with a view to sharing assessments and identifying common objectives, taking full account of the effect on NATO security and defence capability, as well as of the national interests of member countries. Recognising that the policies which nations adopt in this field are a matter for national decision, we agree to examine collectively in the appropriate NATO bodies the requirements which may arise for the defence of the NATO area as a result of deployments by individual member states outside that area. Steps which may be taken by individual Allies in the light of such consultations to facilitate possible military deployments beyond the NATO area can represent an important contribution to Western security.

Document on Arms Control and Disarmament

As indicated in our Declaration of today, we, the representatives of the 16 members of the North Atlantic Alliance, hereby set out our detailed positions on Arms Control and Disarmament:

Militarily significant, equitable and verifiable agreements on arms control and disarmament contribute to the strengthening of peace and are an integral part of our security policies. Western proposals offer the possibility of substantial reductions in United States and Soviet strategic arms and intermediate-range weapons and in conventional forces in Europe, as well as of confidence-building measures covering the whole of Europe:

—In the forthcoming Strategic Arms Reductions Talks (START), we call on the Soviet Union to agree on significant reductions in United States and Soviet strategic nuclear forces, focussed on the most destabilizing inter-continental systems.

—In the negotiations on Intermediate-range Nuclear Forces (INF) which are conducted within the START framework and are based on the December 1979 decision on INF modernization and arms control*, the United States proposal for the complete elimination of all longer-range land-based INF missiles of the United States and the Soviet Union holds promise for an equitable outcome and enhanced security for all.

—Those of us participating in the Vienna negotiations on Mutual and Balanced Force Reductions (MBFR) will soon present a draft treaty embodying a new, comprehensive proposal designed to give renewed momentum to these negotiations and achieve the long-standing objective of enhancing stability and security in Europe. They stress that the Western treaty proposal, if accepted, will commit all participants whose forces are involved—European and North American—to participate in accordance with the principle of collectivity in substantial manpower reductions leading to equal collective ceilings for the forces of Eastern and Western participants in Central Europe, based on agreed data, with associated measures designed to strengthen confidence and enhance verification.

—In CSCE, the proposal for a Conference on Confidence- and Security-building Measures and Disarmament in Europe as part of a balanced outcome of the Madrid CSCE Follow-up meeting would open the way to increased transparency and enhanced stability in the whole of Europe from the Atlantic to the Urals.

At the same time, we are continuing our efforts to promote stable peace on a global scale:

—In the Committee on Disarmament in Geneva, the Allies will actively pursue efforts to obtain equitable and verifiable agreements including a total ban on chemical weapons.

—In the Second Special Session on Disarmament of the United Nations General Assembly now in progress, we trust that new impetus will be given to negotiations current and in prospect, especially by promoting military openness and verification, that the need for strict observance of the principle of renunciation of force enshrined in the United Nations Charter will be reaffirmed, and that compliance with existing agreements will be strengthened.

We appeal to all states to co-operate with us in these efforts to strengthen peace and security. In particular we call on the Soviet Union to translate its professed commitment to disarmament into active steps aimed at achieving concrete, balanced and verifiable results at the negotiating table.

Note: The President participated in morning and afternoon plenary sessions held at the Schaumberg Palace. During the day he also met with Prime Minister Leopoldo Calvo Sotelo y Bustelo of Spain, Prime Minister Andreas Papandreou of Greece, and Minister of Foreign Affairs Sa'ud al-Faysal of Saudi Arabia.

As printed above, the item follows the text provided by the NATO Press Service.

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* In this connection Greece reserves its position.

Remarks on Arrival in Berlin

June 11, 1982

Thank you very much for a most heartwarming welcome. I can't tell you how much Nancy and I appreciate it.

I think I will open with just a little news note. It might not have reached you as yet. I left Washington—the Senate having passed a budget, the House not having passed it—and at 11 o'clock last night received the telephone call. The House, too, has passed a budget. And when the two get together in conference, I can guarantee you that while there may be some alterations here and there, basically the budget for the military of the United States will be what is necessary to enable you to do the job you're doing.

And over this last week I've met with Presidents and Prime Ministers, even a Queen, but being with you, the men and women of our Armed Forces, is one of the proudest moments of this entire trip. I'm proud of all of you who are serving in Europe. And I bring you not only my personal gratitude but that of all the folks back home.

We think of you often, and needless to say you're regularly in the hearts and minds of—of course, your families, your friends, and your sweethearts—but you're in the hearts of a lot of Americans who don't know you by name. They just know that you are their G.I. Joes and Jills, and they love you, too. And, of course, I must say too here, you, the families who are here with your men, you deserve a special word of thanks and gratitude for what you're doing here in their behalf and thus in the behalf of all of our country. You, too, are serving nobly.

The Constitution says I'm your Commander in Chief. Well, I assure you that not a day goes by that my thoughts don't turn in one way or another to you who man the ramparts of freedom. There are now some 300,000 of you here in Europe, American men and women defending freedom far from home. I know that as one individual out of all those thousands, you may not realize how your day-to-day work fits into the big picture. Well, in the few minutes I have today, I'd like to tell you how you fit into the scheme of history—why you're here and why each individual's contribution is so important.

I know it's hard to keep your eye on history when the hours are long and you're homesick, and it's very hard to take the long view when your sergeant keeps telling you to move faster and grunt harder. [*Laughter*] But you're here because you're vital to freedom—the crowning glory of our civilization. America wouldn't be America without freedom, and we can't keep it without you. It's never more than one generation away from extinction. Every generation has to ensure that it will be there and passed it on to the next.

We need not look very far from this airport to see just how important your service really is. Despite the ever-present threat from the East, our role here has preserved a period of peace longer than any Europe has known in this century. And peace in Europe means peace in America.

At this very moment, the forces of the Soviet Union and the Warsaw Pact are poised only a few miles from here. They aren't there to protect the people of Eastern Europe. The Iron Curtain wasn't woven to keep people out; it's there to keep people in. The most obvious symbol of this is the Berlin Wall. And, you know, if I had a chance I'd like to ask the Soviet leaders one question—in fact, I may stuff the question in a bottle and throw it over the wall when I go there today. I really want to hear their explanation. Why is that wall there? Why are they so afraid of freedom on this side of the wall? Well, the truth is they're scared to death of it because they know that freedom is catching, and they don't dare leave their people have a taste of it.

The huge number of Soviet tanks that rumble through the countryside, the Soviet missiles that peer over the border, they aren't there for defense. They're there to threaten the West and divide the Alliance. Well, our forces and those of NATO have a different idea. Our forces have a different assignment. We don't seek to make Europe captive. We seek to keep Europe free.

The people of West Germany, through their government, have time and again asked that we stand together in defense of freedom—both theirs and ours. And President Carstens' recent visit to the U.S. Second Armored Division was symbolic of our unity. Just as the Europeans support your presence here, I, too, as President want to support you by giving you what you need to do your job. I'm determined that you will have fair pay, new equipment, top-notch training, and the best leadership.

America is honored by your service. Your job may sometimes be routine, but, believe me, it isn't. It's part of a noble cause, the defense of freedom and dignity. And you, you in uniform, you are the peacemakers. Because you are doing what you're doing, we have a chance to preserve peace, and I promise you that is going to be the goal as long as this administration is in Washington.

You know, there've been four wars in my lifetime. I don't want to see another. I'm going to tell you a story about one of those wars, only because it tells the difference between two societies, ours and that society the other side of the wall.

It goes back to a war when a B–17 bomber was flying back across the channel badly shot up by anti-aircraft fire. The ball turret that hung beneath the belly of the plane had taken a hit, was jammed. They couldn't get the ball turret gunner out while they were flying, and he was wounded. And out over the channel the plane started to lose altitude. The skipper ordered bail-out, and as the men started to leave the plane, the boy in the ball turret knew he was being left to go down with the plane. The last man to leave the plane saw the captain sit down on the floor and take his hand, and he said, "Never mind son, we'll ride it down together."

The Congressional Medal of Honor, posthumously awarded. That citation that I read when I was serving in that same war stuck with me for many years and came back to me just a few years ago when the Soviet Union gave its highest honor, a gold medal, to a man, a Spaniard living in Moscow. But they don't give citations. They don't tell you why; they just give the medal. So, I did some digging to find out why he was their highest honoree. Well, he had spent 8 years in Cuba before going to Moscow. And before that he had spent 23 years in Mexico in prison. He was the man who buried a pickaxe in the head of—Leon Trotsky's head. They gave their highest honor for murder. We gave our highest honor to a man who had sacrificed his life to comfort a boy who had to die.

I don't know of anything that explains the difference between the society we're trying to preserve and the society we're defending the world against than that particular story.

God bless you all for what you're doing.

Note: The President spoke at 9:58 a.m. at Tempelhof Airport.

Following his remarks, the President went to Checkpoint Charlie, where he viewed the Berlin Wall. He was accompanied by Chancellor Helmut Schmidt and Berlin Mayor Richard von Weizsäcker.

Remarks to the People of Berlin
June 11, 1982

Mr. Governing Mayor, Mr. Chancellor, Excellencies, you ladies and gentlemen:

It was one of Germany's greatest sons, Goethe, who said that "there is stong shadow where there is much light." In our times, Berlin, more than any other place in the world, is such a meeting place of light and shadow, tyranny and freedom. To be here is truly to stand on freedom's edge and in the shadow of a wall that has come to symbolize all that is darkest in the world today, to sense how shining and priceless and how much in need of constant vigilance and protection our legacy of liberty is.

This day marks a happy return for us. We paid our first visit to this great city more than 3 years ago, as private citizens. As with every other citizen to Berlin or visitor to Berlin, I came away with a vivid impression of a city that is more than a place on the map—a city that is a testament to what is both most inspiring and most troubling about the time we live in.

Thomas Mann once wrote that "A man lives not only his personal life as an individual, but also consciously or unconsciously the life of his epoch." Nowhere is this more true than in Berlin, where each moment of everyday life is spent against the backdrop of contending global systems and ideas. To be a Berliner is to live the great historic struggle of this age, the latest chapter in man's timeless quest for freedom.

As Americans, we understand this. Our commitment to Berlin is a lasting one. Thousands of our citizens have served here since the first small contingent of American troops arrived on July 4th, 1945, the anniversary of our independence as a nation. Americans have served here ever since—

not as conquerors, but as guardians of the freedom of West Berlin and its brave, proud, people.

Today I want to pay tribute to my fellow countrymen, military and civilian, who serve their country and the people of Berlin and, in so doing, stand as sentinals of freedom everywhere. I also wish to pay my personal respects to the people of this great city. My visit here today is proof that this American commitment has been worthwhile. Our freedom is indivisible.

The American commitment to Berlin is much deeper than our military presence here. In the 37 years since World War II, a succession of American Presidents has made it clear that our role in Berlin is emblematic of our larger search for peace throughout Europe and the world. Ten years ago this month, that search brought into force the Quadripartite Agreement on Berlin. A decade later, West Berliners live more securely, can travel more freely and, most significantly, have more contact with friends and relatives in East Berlin and East Germany than was possible 10 years ago.

These achievements reflect the realistic approach of Allied negotiators, who recognized that practical progress can be made even while basic differences remain between East and West. As a result, both sides have managed to handle their differences in Berlin without the clash of arms, to the benefit of all mankind.

The United States remains committed to the Berlin agreement. We will continue to expect strict observance and full implementation in all aspects of this accord, including those which apply to the eastern sector of Berlin. But if we are heartened by the partial progress achieved in Berlin, other developments make us aware of the growing military power and expansionism of the Soviet Union.

Instead of working with the West to reduce tensions and erase the danger of war, the Soviet Union is engaged in the greatest military buildup in the history of the world. It has used its new-found might to ruthlessly pursue it goals around the world. As the sad case of Afghanistan proves, the Soviet Union has not always respected the precious right of national sovereignty it is committed to uphold as a signatory of the United Nations Charter. And the only one day's auto ride from here, in the great city of Warsaw, a courageous people suffer, because they dare to strive for the very fundamental human rights which the Helsinki Final Act proclaimed.

The citizens of free Berlin appreciate better than anyone the importance of allied unity in the face of such challenges. Ten years after the Berlin agreement, the hope it engendered for lasting peace remains hope rather than a certainty. But the hopes of free people—be they German or American—are stubborn things. We will not be lulled or bullied into fatalism, into resignation. We believe that progress for just and lasting peace can be made, that substantial areas of agreement can be reached with potential adversaries when the forces of freedom act with firmness, unity, and a sincere willingness to negotiate.

To succeed at the negotiating table, we allies have learned that a healthy military balance is a necessity. Yesterday, the other NATO heads of government and I agreed that it is essential to preserve and strengthen such a military balance. And let there be no doubt: The United States will continue to honor its commitment to Berlin.

Our forces will remain here as long necessary to preserve the peace and protect the freedom of the people of Berlin. For the American presence in Berlin, as long it is needed, is not a burden; it is a sacred trust.

Ours is a defensive mission. We pose no threat to those who live on the other side of the wall. But we do extend a challenge, a new Berlin initiative to the leaders of the Soviet bloc. It is a challenge for peace. We challenge the men in the Kremlin to join with us in the quest for peace, security, and a lowering of the tensions and weapons that could lead to future conflict.

We challenge the Soviet Union, as we proposed last year, to eliminate their SS–20, SS–4, and SS–5 missiles. If Chairman Brezhnev agrees to this, we stand ready to forgo all of our ground-launched cruise missiles and Pershing II missiles.

We challenge the Soviet Union, as NATO proposed yesterday, to slash the conventional ground forces of the Warsaw Pact and

NATO in Central Europe to 700,000 men each and the total ground and air forces of the two alliances to 900,000 men each. And we challenge the Soviet Union to live up to its signature its leader placed on the Helsinki treaty, so that the basic human rights of Soviet and Eastern Europe people will be respected.

A positive response to these sincere and reasonable points from the Soviets, these calls for conciliation instead of confrontation, could open the door for a conference on disarmament in Europe.

We Americans—we Americans are optimists, but we are also realists. We're a peaceful people, but we're not a weak or gullible people. So, we look with hope to the Soviet Union's response. But we expect positive actions rather than rhetoric as the first proof of Soviet good intentions. We expect that the response to my Berlin initiative for peace will demonstrate finally that the Soviet Union is serious about working to reduce tensions in other parts of the world as they have been able to do here in Berlin.

Peace, it has been said, is more than the absence of armed conflict. Reducing military forces alone will not automatically guarantee the long-term prospects for peace.

Several times in the 1950's and '60's the world went to the brink of war over Berlin. Those confrontations did not come because of military forces or operations alone. They arose because the Soviet Union refused to allow the free flow of peoples and ideas between East and West. And they came because the Soviet authorities and their minions repressed millions of citizens in Eastern Germany who did not wish to live under a Communist dictatorship.

So, I want to concentrate the second part of America's new Berlin initiative on ways to reduce the human barriers—barriers as bleak and brutal as the Berlin Wall itself—which divide Europe today.

If I had only one message to urge on the leaders of the Soviet bloc, it would be this: Think of your own coming generations. Look with me 10 years into the future when we will celebrate the 20th anniversary of the Berlin agreement. What then will be the fruits of our efforts? Do the Soviet leaders want to be remembered for a prison wall, ringed with barbed wire and armed guards whose weapons are aimed at innocent civilians—their own civilians? Do they want to conduct themselves in a way that will earn only the contempt of free peoples and the distrust of their own citizens? Or do they want to be remembered for having taken up our offer to use Berlin as a starting point for true efforts to reduce the human and political divisions which are the ultimate cause of every war?

We in the West have made our choice. America and our allies welcome peaceful competition in ideas, in economics, and in all facets of human activity. We seek no advantage. We covet no territory. And we wish to force no ideology or way of life on others.

The time has come, 10 years after the Berlin agreement, to fulfill the promise it seemed to offer at its dawn. I call on President Brezhnev to join me in a sincere effort to translate the dashed hopes of the 1970's into the reality of a safer and freer Europe in the 1980's.

I am determined to assure that our civilization averts the catastrophe of a nuclear war. Stability depends primarily on the maintenance of a military balance which offers no temptation to an aggressor. And the arms control proposals which I have made are designed to enhance deterrence and achieve stability at substantially lower and equal force levels. At the same time, other measures might be negotiated between the United States and the Soviet Union to reinforce the peace and help reduce the possibility of a nuclear conflict. These include measures to enhance mutual confidence and to improve communication both in time of peace and in a crisis.

Past agreements have created the hot line between Moscow and Washington, established measures to reduce the danger of nuclear accidents, and provided for notification of some missile launches. We are now studying other concrete and practical steps to help further reduce the risk of a nuclear conflict which I intend to explore with the Soviet Union. It is time we went further to avert the risk of war through accident or misunderstanding.

We shortly will approach the Soviet

Union with proposals in such areas as notification of strategic exercises, of missile launches, and expanded exchange of strategic forces data. Taken together, these steps would represent a qualitative improvement in the nuclear environment. They would help reduce the chances of misinterpretation in the case of exercises and test launches. And they would reduce the secrecy and ambiguity which surround military activity. We are considering additional measures as well.

We will be making these proposals in good faith to the Soviet Union. We hope that their response to this Berlin initiative, so appropriate to a city that is acutely conscious of the costs and risks of war, will be positive. A united, resolute Western Alliance stands ready to defend itself if necessary. But we are also ready to work with the Soviet bloc in peaceful cooperation if the leaders of the East are willing to respond in kind.

Let them remember the message of Schiller that only "He who has done his best for his own time has lived for all times." Let them join with us in our time to achieve a lasting peace and a better life for tomorrow's generations on both sides of that blighted wall. And let the Brandenburg Gate become a symbol not of two separate and hostile worlds, but an open door through which ideas, free ideas, and peaceful competition flourish.

My final message is for the people of Berlin. Even before my first visit to your city, I felt a part of you, as all free men and women around the world do. We lived through the blockade and airlift with you. We witnessed the heroic reconstruction of a devastated city, and we watched the creation of your strong democratic institutions.

When I came here in 1978, I was deeply moved and proud of your success. What finer proof of what freedom can accomplish than the vibrant, prosperous island you've created in the midst of a hostile sea. Today, my reverence for your courage and accomplishment has grown even deeper.

You are a constant inspiration for us all—for our hopes and ideals, and for the human qualities of courage, endurance, and faith that are the one secret weapon of the West no totalitarian regime can ever match. As long as Berlin exists, there can be no doubt about the hope for democracy.

Yes, the hated wall still stands. But taller and stronger than that bleak barrier dividing East from West, free from oppressed, stands the character of the Berliners themselves. You have endured in your splendid city on the Spree, and my return visit has convinced me, in the words of the beloved old song that *"Berlin bleibt doch Berlin"*—Berlin is still Berlin.

We all remember John Kennedy's stirring words when he visited Berlin. I can only add that we in America and in the West are still Berliners, too, and always will be. And I am proud to say today that it is good to be home again.

God bless you. *Danke schön.*

Note: The President spoke at 11:35 a.m. in front of the Charlottenburg Palace.

During his appearance at Charlottenburg Palace, the President attended a reception hosted by Berlin Mayor Richard von Weizsäcker.

Remarks on Departure From Bonn, Federal Republic of Germany

June 11, 1982

Chancellor Schmidt, Herr Genscher, Excellencies who are here on the platform and you ladies and gentlemen:

Nancy and I are grateful for the warmth and the friendship that we have encountered throughout our short visits to Bonn and Berlin.

In Berlin this morning I looked across that tragic wall and saw the grim consequences of freedom denied. But I was deeply inspired by the courage and dedication to liberty which I saw in so many faces on the western side of that city.

The purpose of my trip to Bonn was to consult both with leaders of the German Government and our colleagues from other nations. Both aspects of the visit have been a great success. We didn't seek to avoid the problems facing the West in the coming years. We met them head-on and discovered that, as always, what unites us is much deeper and more meaningful than any differences which might exist.

We leave with renewed optimism about the future of the Western World. We also leave with a very warm feeling about the people of Bonn, Berlin, and the Federal Republic.

Diplomacy is important, but friendship leaves an even more lasting impression. Your friendship for us has been an especially moving experience. Nancy and I are personally very touched by your hospitality. We know, however, that this greeting was meant not only for us but for the entire American people.

These trips, these meetings have been arduous; they have been long; they've been tiring to all of us. But I think they've been successful. And here today is an evidence of why they have to be successful—because what was at issue and what is at stake in all that we were trying to accomplish in those meetings is visible here in these young people. We must deliver to them a world of opportunity and peace. And with that as a goal and with that as our inspiration, we cannot fail.

German-American friendship is truly one of the lasting foundations of Western cooperation and peace and freedom in the world. And this visit has convinced me that ours is a friendship that cannot be shaken.

I thank you all from the bottom of my heart. Goodby, and until we meet again, *Auf wiedersehen.*

Note: The President spoke at 3 p.m. at the Cologne/Bonn Airport.

In his opening remarks, the President referred to German Chancellor Helmut Schmidt and German Minister of Foreign Affairs Hans-Dietrich Genscher.

Remarks Upon Returning From the Trip to Europe

June 11, 1982

Thank you very much. Thank you, George, all the representatives of the Senate and the House who've been working so hard while we've been gone, the members of the Cabinet. And to those employees of government, Cabinet members here on the platform and who were with us on the plane, who went on this trip as part of the team, I think you'd have been proud of all of them and how hard they worked.

But I have to tell you: This is a very great surprise to us. And adding to the surprise is the fact that here it is still daylight, and it's only 43 minutes past midnight. [*Laughter*] But it's great to be home, especially since we don't have to get in a car and go someplace and make another speech. [*Laughter*]

Before I give you a brief report on our trip to Europe, let me just say how happy I was to learn last night, in Bonn, that the House had passed the revised bipartisan recovery budget.

I was especially pleased at the breadth of support it commanded from Republicans of all regions and 63 responsible House Democrats. And I want to tell you that this morning, after getting that word—and when I brought the word to my colleagues from the other countries that we were meeting with, our allies—their joy. They were looking forward to this as much as I was and as much as the American people were.

So, my congratulations to Bob Michel and all the other responsible Members of the House for a job well done. And now let's hope the House and Senate conference committee can finish its work quickly so that we can get on with economic recovery here at home and around the world.

As I say, in greeting these ladies and gentlemen when I got off the plane, proud as I am of all that were with us and on the team and worked so hard and so many hours, I'm proud of all of you, George, who were here running the store at home.

After visiting six major cities in Europe, one thing stands out clearly, and we sometimes lose sight of it: America has a lot of friends in the world. Yes, there were demonstrators who didn't agree with some of our policies, but I can tell you that in every city the streets were lined, wherever we went, with people cheering America, and most of them waving American flags. And this morning we addressed 25,000 people at the Charlottenburg Castle in Berlin, standing there in the garden. And to see those 25,000 Berliners waving American flags and cheering us and thanking us for what we mean to them was also something that is hard to describe.

I can report that we accomplished what we set out to do on this trip. Our friendships are firm, and America is once again respected by allies and potential adversaries alike. At the economic summit meeting at Versailles, we reaffirmed our commitments to the fight against inflation, to expanded trade, and to economic development. We agreed on cooperative approaches to the tough economic problems faced by our countries and on a more vigilant and restrained approach to trade with the Soviet bloc.

At the NATO summit meeting in Bonn, we welcomed Spain as the 16th member of the Alliance. And I had to point out to them—I couldn't resist—the uniqueness of that situation in the world. Here another democracy, Spain, voluntarily asking to become a member of NATO—when have you ever heard of a nation voluntarily requesting to become a member of the Warsaw Pact?

We approved a new Western proposal for the reduction of conventional arms in Europe, and we formalized what we had been working for a year to achieve—a clear consensus on the need to improve our defenses, while confirming our willingness to negotiate in good faith with the Soviet Union for a more secure peace. NATO is more confident now, confident in its ability both to preserve its strength and to promote peace.

In Rome, I consulted with His Holiness The Pope in our continuing quest for peace, and I had an opportunity to meet with the leaders of Italy, a country that has been as strong and consistent as any in its support for the Alliance and the policies of the United States.

And while in Rome, I also had the pleasure of meeting a group of young men and thanking them personally. They were the men who freed our General Dozier.

The preservation of our free institutions is, after all, the most important reason for our efforts to strengthen the Alliance. As I listened to our European friends, I learned a great deal about their approaches and concerns. Yes, we have our differences, but I am firmly convinced that our values are the same, our objectives are the same, and when we have different ideas about reaching those objectives we can work them out.

As this trip began, the United States was doing all that it could to bring an honorable end to conflict in the South Atlantic. And today, as this trip concludes, the United States is once again trying to bring peace to the Middle East. Clearly, our responsibilities as a great people span the globe. The nations of the West all look to us for leadership in preserving freedom and peace. This is not a burden that we sought, but it is one we shall never shirk.

I brought a message to our allies that the United States will remain a firm and reliable partner. I said in Bonn, that they are not alone; we are with them. And tonight I come home with a message from our allies, one impressed upon me at every stop along the way: Americans, we are not alone; they are with us, too.

Our alliances have never been stronger. The powerful friendship among free nations shall endure. Together with our friends overseas we shall live up to our responsibilities as the world's greatest force for freedom and for peace.

And I couldn't conclude without just saying one thing also that happened in Berlin this morning. When we arrived at Tempelhof, and there were hundreds and hundreds of our young men and women in uniform, and those with their families that are with them and their children that were with them, and meeting and greeting them, seeing them, I have never known such pride. And I can tell you, you have every reason to be proud of them, also. And they're proud to be there on the ramparts of freedom, doing what they're doing.

And now, Nancy and I have to get back to the store on Pennsylvania Avenue. [*Laughter*] It's been a great trip, but there really is no place like home.

Thank you all, and God bless you.

Note: The President spoke at 6:43 p.m. at Andrews Air Force Base, Md., where he was greeted upon his return by the Vice President, Members of the Congress and the Cabinet, and other government officials and employees.

Statement on the Situation in Poland

June 13, 1982

Six months ago today darkness descended on Poland as the Warsaw Government declared a "state of war" on its own people. Today the Polish people's spirit remains unbroken, and as the widespread popular demonstrations in early May indicate, the gap between the Polish people and their leaders has widened since December 13, 1981.

The broad range of economic sanctions which we introduced against the Warsaw Government last December has had a strong impact on the Polish economy, a fact which is acknowledged by Polish officials. With each passing day, the impact of these sanctions grows, particularly in light of the unwillingness of Warsaw's allies to provide substantial assistance. We made it clear when we introduced these sanctions that they were reversible if and when Polish authorities restored the internationally recognized human rights of the Polish people. In addition, we stated that the United States Government stands ready to provide assistance to such a Poland to help its economic recovery. But the United States cannot and will not take these steps until the Polish Government has ended martial law, released all political prisoners, and reopened a genuine dialog with the church and Solidarity.

Our hearts go out to the brave Polish people, who have suffered so much through the years. The United States will continue to help provide humanitarian assistance to the Polish people through such organizations as Catholic Relief Services, CARE, and Project HOPE. Let us hope that the authorities in Warsaw will move to bring about a genuine process of reconciliation in Poland before the gap between the authorities and the people becomes even more threatening.

Statement on the Death of King Khalid of Saudi Arabia

June 13, 1982

I was deeply grieved to learn of the death of His Majesty King Khalid of Saudi Arabia, who ruled his country with honor, dignity, and wisdom, and whose goodness and understanding commanded the respect of all. I extend my personal condolences and sympathy, as well as those of the American people, to His Majesty King Fahd, the Royal Family, and the people of Saudi Arabia, a country with which we have enjoyed more than a half-century of warm, constructive, and mutually beneficial relations.

Note: On June 14, the White House announced that the President asked the Vice President to lead a high-level delegation to

Saudi Arabia that evening to pay the respects of the United States to the late King. The delegation, in addition to the Vice President, would include Secretary of Defense Caspar W. Weinberger, Senator Charles H. Percy of Illinois, Senator J. Bennett Johnston of Louisiana, Representative William S. Broomfield of Michigan, Representative Clement J. Zablocki of Wisconsin, Gen. Lew Allen, Jr., Air Force Chief of Staff, Deputy Assistant to the President for National Security Affairs Robert C. McFarlane, and Joseph Twinam, Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs.

Proclamation 4946—National Child Abuse Prevention Week, 1982

June 10, 1982

By the President of the United States of America

A Proclamation

Each year, more than one million children are the victims of child abuse and child neglect. These children represent every racial, religious, and socio-economic group, and the suffering they endure poses a threat to our families and to our society as a whole.

Most instances of child abuse and child neglect are not caused by inhuman, hateful intent but by the accumulation of stresses experienced by parents attempting to meet their responsibilities. If parents can get help in coping with the pressures in their lives and if communities support preventive programs to assist parents and others responsible for the care of their children, young lives can be saved and suffering prevented.

The health and well-being of our children is and must continue to be one of our Nation's highest priorities.

The Congress, by Senate Joint Resolution 149, has recognized the magnitude of the problem of child abuse by requesting me to designate June 6 through June 12, 1982, as National Child Abuse Prevention Week.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate the week of June 6 through June 12, 1982, as "National Child Abuse Prevention Week." I urge all citizens to renew our Nation's commitment to meet the serious challenge which child abuse and child neglect pose to the welfare of our children and families.

I especially invite the Governors of the States and the Commonwealth of Puerto Rico; the heads of voluntary and private groups; and the offices of local, State, and Federal government to join in this observance. I urge them to encourage activities whose purpose is to prevent and treat child abuse and child neglect.

In Witness Whereof, I have hereunto set my hand this tenth day of June, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 3:07 p.m., June 10, 1982]

Note: The text of the proclamation was released by the Office of the Press Secretary on June 14.

Nomination of Robert Werner Duemling To Be United States Ambassador to Suriname

June 14, 1982

The President today announced his intention to nominate Robert Werner Duemling, of California, as Ambassador to the Republic of Suriname. He would succeed John J. Crowley, Jr.

Mr. Duemling was an instructor at Yale University from 1952 to 1953. He served in the United States Navy as lieutenant from 1953 to 1957. He began his Foreign Service career in 1957 and was foreign affairs officer in the Executive Secretariat in the Department from 1958 to 1960. He was staff assistant to the Ambassador and then political officer in Rome (1960–63), consular officer, then economic officer in Kuala Lumpur (1963–65), and principal officer in Kuching (1965–66). In the Department, he was economic officer for the Malaysia and Singapore Desk (1966–67), and Special Assistant to the Assistant Secretary of State for East Asian and Pacific Affairs and Staff Director of the East Asian Interdepartmental Group (1967–70). He was Special Assistant for Expo Liaison in Osaka-Kobe (1970), attended Japanese language training in Yokohama (1970–71), and was Chief of the External Political Section in Tokyo (1971–74). In the Department, he was Executive Assistant to the Deputy Secretary of State from 1974 to 1976. From 1976 to 1980, he was Deputy Chief of Mission in Ottawa. He was a member of the Executive Seminar in National and International Affairs in the Department from 1980 to 1981, and was Chief of the National Contingents Section of the Multinational Force and Observers (Sinai) from 1981 to 1982. Mr. Duemling's foreign languages are Italian, French, Japanese, and Spanish.

Mr. Duemling was born February 8, 1929, in Ann Arbor, Mich. He received his B.A. (1950) and M.A. (1953) from Yale University.

Nomination of George W. Landau To Be United States Ambassador to Venezuela

June 14, 1982

The President today announced his intention to nominate George W. Landau, of Maryland, as Ambassador to Venezuela. He would succeed William H. Luers.

Mr. Landau served in private business as an executive of a shipping company (1942–55) and as general manager of an American automobile distributor in Colombia (1955–57). In 1957 he began his career in the Foreign Service as commercial attaché and Chief of the Economic Section in Montevideo. From 1962 to 1965, he was political officer, then Deputy Chief of Mission in Madrid, and attended the Canadian National Defence College from 1965 to 1966. He was Country Director of the Office of Spanish and Portuguese Affairs, Bureau of European Affairs in the Department from 1966 to 1972. He was Ambassador to Paraguay (1972–77) and Ambassador to Chile (1977–82). From January to April 1982, he served as Executive Director of the Presidential Commission on Broadcasting to Cuba in the Department. Mr. Landau's foreign languages are German, Spanish, and Portuguese.

Mr. Landau was born March 4, 1920, in Vienna, Austria, and became a naturalized citizen in 1943. He attended Pace College and New York University and received his A.A. in 1969 from George Washington University.

Appointment of Two Members of the Intergovernmental Advisory Council on Education

June 14, 1982

The President announced that he has appointed Joan M. Gubbins and Joyce Van Schaack to be members of the Intergovernmental Advisory Council on Education for terms expiring July 27, 1982. In addition, Mrs. Van Schaack will serve for a full 4-year term expiring July 27, 1986.

Joan M. Gubbins, of Indiana, is actively involved in community affairs. She served as State senator in 1968–1980 and served on various committees, including the education committee, public health and welfare committee, and the public policy committee. She currently serves as producer-moderator of the Educational Radio Program and as president of J.M.G. Consulting Enterprises. She attended the University of Illinois. She is married, has two children, and resides in Noblesville, Ind. She was born July 2, 1929. She succeeds Gene A. Budig.

Joyce Van Schaack, of California, is outreach program coordinator for the California Republican Party. In addition, she is an instructor at the Los Angeles Mission College in San Fernando. She is corporate secretary and treasurer for J. L. Van Schaack and Associates, Inc., in Los Angeles. She graduated from California State University at Northridge (B.A., 1974; M.A., 1975). She is married, has three children, and resides in Tarzana, Calif. She was born July 30, 1930. She succeeds Jose E. Serrano.

Appointment of the 1982–83 White House Fellows

June 14, 1982

The President today announced the appointments of the 1982–83 White House fellows. This is the 18th class of fellows since the program began in 1964.

The 14 fellows were chosen from among 1,200 applicants and screened by 11 regional panels. The President's Commission on White House Fellowships, chaired by Vice Adm. James B. Stockdale (USN-Ret.), interviewed the 32 national finalists before recommending the following persons to the President. Their year of government service will begin on September 1, 1982.

The 1982–83 White House fellows are:

Catherine Lynn Olson Anderson, 34, of Hopkins, Minn., assistant Hennepin County attorney, criminal trial division, Minneapolis, Minn.;

Michael L. Campbell, 35, of Clarksburg, Calif., owner, Campbell Farms, Clarksburg, Calif.;

Paula H. J. Cholmondeley, 35, of Short Hills, N.J., vice president of strategic planning and programs, Westinghouse Elevator Co., Short Hills, N.J.;

Clayton M. Christensen, 30, of Belmont, Mass., project manager, the Boston Consulting Group, Inc., Boston, Mass.;

Jonathan S. Gration, 30, of Wheaton, Ill., captain, United States Air Force, Technical Assistance Field Team, Kenya;

Paul T. Hasse, 27, of Silver Spring, Md., chairman of HALT—An Organization of Americans for Legal Reform, Inc., Washington, D.C.;

Frank G. Klotz, 31, of Colorado Springs, Colo., captain, United States Air Force, assistant professor of political science, United States Air Force Academy, Colorado Springs;

Douglas W. Kmiec, 30, of Notre Dame, Ind., associate professor of law, University of Notre Dame, Ind.;

Kathy Stroh Mendoza, 38, of New York City, president of Vis-A-Vis Information Design, New York City;

Daniel T. Oliver, 37, of Orange Park, Fla., commander, United States Navy, Commanding Officer of Patrol Squadron SIXTEEN, homeported at the Naval Air Station, Jacksonville, Fla.;

Sharon Ivey Richie, 32, of Upper Marlboro, Md., major, United States Army, Office of the Assistant Secretary of Defense for Health Affairs, the Pentagon, Washington, D.C.;

William L. Roper, 33, of Birmingham, Ala., health officer, Jefferson County, Birmingham, Ala.;

Adis M. Vila, 28, of Miami, Fla., attorney, Paul &

Thomson, Miami, Fla.;

Diane Welch Vines, 36, of Brookline, Mass., assistant professor of psychiatric nursing, Boston University, and partner/psychotherapist, Beacon Associates, Brookline, Mass.

Established to provide outstanding Americans with firsthand experience in the process of governing the Nation, the White House Fellowships program is open to U.S. citizens in the early stages of their careers from all occupations and professions. Federal Government employees are not eligible, with the exception of career Armed Forces personnel.

In addition to their job assignments as special assistants to the Vice President, Cabinet officers, and to members of the President's principal staff, the fellows participate in an extensive education program that includes off-the-record seminar meetings with ranking government officials, scholars, journalists, and leaders from other segments of private life.

Leadership, intellectual and professional ability, and commitment to community and Nation are the broad criteria employed in the selection of fellows.

Applications and further information are available from the President's Commission on White House Fellowships, 712 Jackson Place NW., Washington, D.C. 20503; (202) 395-4522.

Statement on the Cease-Fire in the Dispute Between the United Kingdom and Argentina in the Falkland Islands

June 15, 1982

The United States welcomes the cease-fire which is now in place in the Falkland Islands. We hope the tragic loss of life which has thus far occurred in this crisis can now be brought to an end. For its part, the United States continues to stand ready to assist in any way it can to help resolve this conflict.

Nomination of Kay McMurray To Be Director of the Federal Mediation and Conciliation Service

June 15, 1982

The President today announced his intention to nominate Kay McMurray to be Federal Mediation and Conciliation Director. He would succeed Kenneth E. Moffett.

Mr. McMurray has been a consultant and arbitrator since 1977. He was a member of the National Mediation Board in 1972-1977 and served as Chairman for two terms during this period. He was executive administrator of the Air Line Pilots Association, International, in 1953-1971. He was assistant to the president of Inland Empire Insurance Co., Boise, Idaho, and legislative representative for the Western Highway Institute in Boise in 1949-1953. He was captain for United Air Lines in 1940-1949.

He graduated from Stanford University (A.B., 1940) and attended the Graduate School of Business in 1947-1948. He is married, has three children, and resides in Bethesda, Md. He was born March 18, 1918.

Appointment of Earl E. T. Smith as a Member of the Presidential Commission on Broadcasting to Cuba

June 15, 1982

The President today announced his intention to appoint Earl E. T. Smith to be a member of the Presidential Commission on Broadcasting to Cuba. This is a new position.

Mr. Smith served as the last American Ambassador to Cuba from 1957 to 1959. From 1971 until 1977, he was mayor of Palm Beach, Fla. Mr. Smith has been a member of the New York Stock Exchange since 1926. He was a partner of Paige, Smith, and Remick, investment brokers, from 1930 to 1939.

President Roosevelt appointed Mr. Smith to be a member of the War Production Board in 1941. During World War II, he served as a lieutenant colonel in the U.S. Army and Air Force. He is author of the book, "The Fourth Floor," an account of the Castro Communist revolution.

Mr. Smith serves as a director of the Bank of Palm Beach and Trust Co., and the U.S. Sugar Corp. He attended Yale University, class of 1926. Mr. Smith is married, has three children, and resides in Palm Beach, Fla.

Proclamation 4947—National Peach Month, 1982

June 15, 1982

By the President of the United States of America

A Proclamation

Peaches are a refreshing and nutritious addition to our Nation's diet.

Peaches are a $365 million cash crop that bolsters the economies of 32 States.

The United States is the world's largest peach producer, providing more than 20 percent of the world's peaches and exporting approximately 250 million pounds each year.

In recognition of the role peaches play in our food supply and our economy, the Congress by Joint Resolution approved March 16, 1982 (96 Stat. 12), has requested the President to designate July 1982 as "National Peach Month."

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim July 1982 "National Peach Month" and call upon the people of the United States to incorporate this nutritious fruit into their diets, and call upon interested groups to celebrate this month with appropriate programs and activities.

In Witness Whereof, I have hereunto set my hand this 15th day of June, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 11:05 a.m., June 16, 1982*]

Executive Order 12367—President's Committee on the Arts and the Humanities

June 15, 1982

By the authority vested in me as President of the United States, and to establish, in accordance with the provisions of the Federal Advisory Committee Act, as amended (5 U.S.C. App. I), an advisory committee to assist in efforts to increase private sector support for the arts and the humanities, it is hereby ordered as follows:

Section 1. Establishment. (a) There is established the President's Committee on the Arts and the Humanities. The Committee shall be composed of the Chairman of the National Endowment for the Arts; the Chairman of the National Endowment for the Humanities; the Secretary of the Treasury; the Secretary of the Interior; the Secretary of Education; the Administrator of General Services; the Director of the Institute of Museum Services; the Director of the International Communication Agency; a member designated by the Secretary of State; and not more than twenty persons who are not full-time officers or employees of the Federal Government ("non-Federal members"), who shall be appointed by the President and shall be selected from among private individuals and State and local public officials who have a demonstrated interest in and commitment to support for the arts or the humanities. In addition, the Majority Leader of the Senate and the Speaker of the House of Representatives are each invited to designate a member of the Committee for appointment by the President, and the Librarian of Congress, the Secretary of the Smithsonian Institution and the Director of the National Gallery of Art are invited to serve as members of the Committee.

(b) The President shall designate a Chairman or Co-Chairmen from among the non-Federal members of the Committee, and may also designate Vice Chairmen from among members of the Committee.

Sec. 2. Functions. The Committee shall analyze, and make recommendations to the President and to the National Endowment for the Arts and the National Endowment for the Humanities with respect to, (i) ways to promote private sector support for the arts and the humanities, especially at the State and local levels; (ii) the effectiveness of Federal support for the arts and the humanities in stimulating increased private sector support, taking into account the economic needs and problems of the arts and the humanities and their relationship with the private sector; (iii) the planning and coordination of appropriate participation (including productions and projects) in major and historic national events; and (iv) ways to promote the recognition of excellence in the fields of the arts and the humanities. In performing these functions, the Committee shall collect, maintain and make available for appropriate distribution data on the sources and levels of public and private sector support for the arts and the humanities, and on the availability of cultural resources locally. The Committee's functions shall not conflict with the responsibilities of the National Council on the Arts and the National Council on the Humanities.

Sec. 3. Administration. (a) Members of the Committee shall serve without additional compensation for their work on the Committee. However, members of the Committee who are not full-time officers or employees of the Federal Government may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the Government service (5 U.S.C. 5701–5707), to the extent funds are available therefor.

(b) Any administrative support or other expenses of the Committee shall be paid, to the extent permitted by law, from funds available to the National Endowment for the Arts.

Sec. 4. General. (a) Notwithstanding any other Executive Order, the responsibilities of the President under the Federal Advisory Committee Act, as amended, except that of reporting annually to the Congress, which are applicable to the Committee, shall be performed by the Chairman of the National Endowment for the Arts, in accordance with guidelines and procedures established by the Administrator of General Services.

(b) The Committee shall terminate on December 31, 1982, unless sooner extended.

RONALD REAGAN

The White House,
June 15, 1982.

[*Filed with the Office of the Federal Register, 11:06 a.m., June 16, 1982*]

Appointment of 16 Members of the President's Committee on the Arts and the Humanities, and Designation of Chairman and Vice Chairmen

June 15, 1982

The President today announced his intention to appoint the following individuals to be members of the President's Committee on the Arts and the Humanities. The President also announced his intention to designate Andrew Heiskell to be Chairman and Armand Deutsch and W. Barnabas McHenry as Vice Chairmen.

Andrew Heiskell, of New York, is former chairman of the board and chief executive officer of Time, Inc., and currently chairman of the board of the New York Public Library Board.

Armand S. Deutsch, of California, is currently board chairman, Starwood Corp., New York. He served as a member of the Presidential Task Force on the Arts and Humanities.

W. Barnabas McHenry, of New York, is general counsel, the Reader's Digest Association, Inc., and former Vice Chairman of the Presidential Task Force on the Arts and Humanities.

Sidney Brody, of California, is president of Brody Investment Co. in Beverly Hills.

Lloyd Cotsen, of California, is president of Neutrogena Corp. in Los Angeles.

Charles A. Dana, Jr., of Connecticut, is chairman of the board and president of Caban Corp. in New York. He also serves on the board of the Hoover Institution.

Joan Dillon, of Kansas, is president, Performing Arts Foundation, Folly Theatre, in Kansas City, Mo.

Robert S. Fryer, of California, is artistic director, Center Theatre Group, Ahamanson Theatre; a Broadway producer; and served as a member of the Presidential Task Force on the Arts and Humanities.

Nancy Hanks, of Washington, D.C., is former Chairman of the National Endowment for the Arts and served as a member of the Presidential Task Force on the Arts and Humanities.

Ignacio Lozano, of California, is editor and publisher of La Opinion, the largest Hispanic newspaper in California.

Dr. Franklin D. Murphy, of California, is chairman of the board and chief executive officer, Times Mirror Co., in Los Angeles. He served as a member of the Presidential Task Force on the Arts and Humanities.

Leonard Silverstein, of Washington, D.C., is a partner, Silverstein & Mullens; president of the National Symphony Orchestra; Chairman of the U.S. Advisory Committee on Public Diplomacy; and served as a member of the Presidential Task Force on the Arts and Humanities.

Frank Sinatra, of California, is a singer and actor.

Dr. Donald M. Stewart, of Georgia, is president of Spelman College in Atlanta.

Rawleigh Warner, Jr., of Connecticut, is chairman of the board and chief executive officer of Mobil Oil Corp. in New York, chairman of the Business Committee for the Arts, and served as a member of the Presidential Task Force on the Arts and Humanities.

Isabel Brown Wilson, of Texas, is chairman, Municipal Art Commission, in Houston, Tex.

Remarks at a Fundraising Dinner for Governor William P. Clements, Jr., in Houston, Texas

June 15, 1982

Chairman Walter [Mischer],[1] reverend clergy, President Ford, all the past Governors of Texas, and our friends from south of the border—the Governors who are here tonight, Senator Tower:

And I think you all should know—you know, reaching 21 is a wonderful thing for anyone. It's kind of an historic moment in anyone's life. Few get to do it twice. [*Laughter*] John has, because now it's the second 21 for him—21 years in the United States Senate.

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[1] *White House correction.*

Sergeant Benavidez, I was delighted to see you here and glad to have you with us tonight.[2] And, of course, the man we came to honor tonight, Governor Bill Clements, and Rita. All the other distinguished people up here and you, ladies and gentlemen, I thank you for a heartwarming Texas welcome.

I'm not surprised by your Texas hospitality, but still I am a little astonished by this event. When Bill Clements mentioned dropping by for dinner, that he was having a few friends in—[*laughter*]—I didn't think that I'd be going to a backyard barbecue, but I also hadn't pictured anything like this. Bill, you wouldn't like to have a little potluck dropby in Washington, would you, and we could balance the budget. [*Laughter*]

You know, I'm beginning to believe some of those stories about Texas—that one about the good ol' boy from Kentucky. He was bragging that they had enough gold in Fort Knox to build a 6-foot, solid gold fence all the way around Texas. And the Texan he was talking to said, "Yeah, well, you build it, and we'll buy it." [*Laughter*]

But, seriously, I am delighted to be here to help pay tribute to a great Governor of a great State. For one thing, I am glad to have the chance to thank him for all that he did to help me 2 years ago when I was looking for a job. [*Laughter*] Now, I know the fact that he gave me a hand is not a reason why anyone should vote for someone. You should just simply elect as Governor of Texas the present Governor, Bill Clements, because he's the best man for the job.

This is a political dinner, but it's not a partisan dinner, and that figures. Last year and, again in just the last few weeks, a number of Texas Democrats in the Congress showed they had the courage and the common sense to put the welfare of this State and this nation before partisanship, even in an election year. They have my appreciation and respect and, I'm sure, yours also.

Both the Senate and the House have passed budget resolutions not too dissimilar, which means the conference committee should have little trouble in reconciling what differences there are. This budget resolution, like the one last year, sets us on a course of declining deficits, which should in the next few years bring us back to spending within our means, and then—and, oh, what a dream this is of mine—we can look forward to starting to reduce that trillion-dollar debt that was piled up over 40 years of economic irresponsibility.

Have we forgotten all those bromides that came to us under the title of "The New Economics" in those decades? "A little inflation was good for us. It was necessary to maintain prosperity." With regard to the debt: "No need to worry—we owe it to ourselves." The interest on the present debt, whoever we owe it to, is enough to balance the budget—more than a hundred billion dollars.

Loud voices will be heard. In fact, some are tuning up already, denouncing this budget resolution: "We're cutting too deep, depriving the elderly, the poor, and the handicapped of the support they need; our defense spending is out of proportion and should be cut back."

Well, you know, in all the confusing rhetoric of the term "budget cuts" to describe what was done last year and now, with the '83 budget, has lent credence to tales of suffering imposed by "budget cuts." There have been no budget cuts. The present 1982 budget is larger than the 1981 budget we inherited. The 1983 budget, when passed by both Houses of Congress, will be larger than the 1982 budget. What we're referring to as "budget cuts" are only reductions in the rate of increase in spending which had reached 17 percent a year before our administration began. We cut that rate nearly in half in 1982, and it'll be further reduced in 1983.

Now, frankly, I'd like nothing better than to be able to offer a budget proposal that actually called for less spending than we had the year before. The last time that happened in this country of ours was 1 year during the 8 years of Dwight David Eisenhower. Now, this could be done if we were willing to destroy the so-called safety net, which protects those who, through no fault of their own, must have our help. I have pledged this we will not do, nor do I think that Americans, the most generous people in all the world, would want us to take that help away from the people that need it.

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[2] *M. Sgt. Roy P. Benavidez was presented the Medal of Honor by the President in a White House ceremony on February 24, 1981.*

Another way would be to reverse our defense buildup, which has been made necessary by the dangerous decline in our security over the recent years, and this I cannot do without violating my constitutional responsibility to protect our national security. And I am grateful to your Senator John Tower for the powerful support that he has given me every day that I've been there in meeting that responsibility for our national security.

Now, President Ford took us back a little bit in memory. Let me nudge your memory a little. We met here just 21 months ago during the 1980 campaign. Inflation had been running at double-digit levels, as you've been told, for 2 years in a row, and that was the first time that had happened since World War I. The 1960 dollar in 1980 was only worth 36 cents.

Let me nudge your memory back a little further, about 4 years farther. President Ford has already told you some of the comparisons of what things were like in 1976 and then what happened to them. But in 1980 I was campaigning in cities where even then the unemployment rate was anywhere from 15 to 20 percent—in the Midwest and up in the Northeast and some of the industrial States where already the trouble had started. In poll after poll at that time, the people declared that inflation was the number-one problem in need of immediate solution. But as our administration picked up the mess, we were told by the pundits that inflation was so deeply entrenched that it could not be pried out of the economy for at least another 10 years.

Well, being new to the job, we just didn't believe 'em. While we were submitting our budget plan for 1982 we managed to squeeze several billions of dollars out of the 1981 budget that was already in place.

In addition to reducing spending, we promised to cut the tax rates for both business and individuals, and, here again, we were only reducing an increase. The largest single tax increase ever adopted in our history had been passed in 1977. Austin O'Malley once observed that, "In levying taxes and in shearing sheep, it is well to stop when you get down to the skin." [*Laughter*] That rule had been broken pretty completely in the years leading up to 1981.

Between 1976 and 1981, taxes had risen $300 billion, and deficits in that same period totaled $318 billion, which is pretty good evidence that high taxes don't reduce deficits. We don't have the deficits and we're not in trouble because we're not taxing enough. We're in trouble because the government is spending too much.

Now, we didn't get all that we wanted in our economic recovery program in '82, either in savings or tax cuts, but we got about three-fourths of it, and I figured that was a pretty good chunk. But some diehards are now declaring the present recession was caused by our program, just as Gerald Ford told us. May I just point out, we had the recession before we got the program. But the voices keep right on carping.

Just the other day I read where some astronomers predict that one of the largest stars in the Milky Way is going to explode sometime in the next 10,000 years. And the fellow who was writing the story said they weren't quite sure when in these 10,000 years the blowup would take place, but it would be the result of our economic recovery program. [*Laughter*]

So far we've only had a 5-percent cut in individual income tax rates, plus some business tax breaks and new incentives for saving. In a few weeks, the income tax rates will be reduced another 10 percent across the board. In the meantime, however, the personal savings rate has increased, meaning a bigger capital pool for investment. Real wages are showing positive growth for the first time in 3 years, and retail sales continue to show an increase.

And while we have an unemployment rate of 9.5 percent, which must be lowered, for the last 6 months inflation—and Jerry told you what it was when we started—inflation has been running at an annualized rate of only 2.8 percent—and for the last 3 months, less than 1 percent. Now, that's quite a drop and we've only used up 1½ of those 10 years the pundits told us that we had to get it down. This drop in inflation has meant over a thousand dollars in increased purchasing power for an average family of four with a fixed income of $15,000.

When the special pleaders start campaigning against our budget cuts as penalizing the poor, when they assail our tax program as favoring the rich, that defense spending is too high, here are a few points you might like to remember in conversations you may have in this election year.

Twenty years ago, during John F. Kennedy's Camelot, spending for human needs was 29 percent of his budget; defense spending was 46 percent of his budget. In our proposed budget for 1983, the social needs, the human needs total 51 percent of the budget, and defense spending is only 29 percent.

President Kennedy's tax cut program, which was phased in over 2 years and proved greatly beneficial to this country—oh, they told him, all of his advisers, he shouldn't do that, that it'd lose billions of dollars in revenue. Well, we gained billions of dollars in revenue by making the country more prosperous. But that was phased in over 2 years and gave 36 percent of the relief to corporations and 64 percent to individuals. Our program is phased in over 3 years and gives corporations 20 percent of the total and individuals 80 percent. I just say this because there's been a little demagoguery going around in Washington recently.

In giving all these figures, please don't think I'm trying to minimize the tragedy of unemployment, which plagues us and which has been steadily increasing since 1979. As one who entered the job market in the depths of the Great Depression in 1932, I bleed for the man or woman able and willing to work but who can find no job opening. But we believe that economic recovery, not government social programs, is the best and most permanent solution to the problem of unemployment. The best social program we can have is a job.

There have been seven recessions in recent decades, and now the eighth. And the traditional liberal cure for each one has been to give it a quick fix—the artificial stimulant of government spending programs. And every time that was done, the cure was temporary and led to another recession, and another recession was worse than the one before.

In this recession, while the unemployment rate is higher, it is not accompanied by higher and higher inflation as the others were. Unemployment is concentrated in those industries most affected by high interest rates. And those rates are down now about 25 percent from what they were, the 21½ that the President told you about when we took over. They must come down more. And with inflation as low as it is, they can. I believe final passage of the '83 budget will send the signal the money market needs to hear.

In the meantime, there are other facets to our recovery program. George Bush has done a great job heading up a task force to eliminate unnecessary government regulation. He and his task force have reduced that blizzard of paperwork which came out of those regulations and which contributed about a hundred billion dollars a year to the cost of goods and services. By the end of this fiscal year, they will have eliminated 200 million manhours of paperwork simply by eliminating 23,000 pages of the regulations listed in the *Federal Register.*

In that line, you'll remember they told us oil prices would go up if we decontrolled oil. Well, we did, and prices went down and there was an almost immediate increase in domestic production.

In the areas of waste and fraud, during the last year the Inspectors General have really earned their title of being "meaner than junkyard dogs." Just this afternoon before I climbed on the plane to come down here, I got their latest 6-months report—every 6 months. This was the third report since I've been there that they've given us. In these 6 months, the 6 months that ended March 31st, they issued over 54,000 audit reports and handled over 13,000 investigations. And the results are the kind of news that I know you'd like to hear: $5.8 billion in direct savings and better use of funds in just 6 months. There were over a thousand convictions and over

900 indictments.

We've put in hotlines so that Federal employees can do their part, too—pick up a phone and call and say, "Hey, do you know what's going on over here, and what could be done to straighten things out?" Overall, there are more than 6,500 hotline calls and referrals received by these Inspector Generals.

A pizza vendor, for example, turned out to be overcharging a commissary by more than $50,000, and someone was selling the government brackets for $310 that could be bought locally in a store for $4. Now, this has to be better than raising taxes. Justice Oliver Wendell Holmes once said, "Keep government poor and remain free."

Fifty years ago, in the campaign of 1932, Franklin Delano Roosevelt charged that the Federal Government had usurped resources and functions that properly belonged to State and local governments. In the 50 years since then, the Federal Government has come close to making States mere administrative districts of a Federal Government. Well, this, too, we're determined to change.

We have met continuously with local officials, State legislators, and Governors to work out a new federalism plan whereby functions that properly belong at State and local levels, plus the resources to fund them can be turned back to those governments that are closest to the people.

That's why the cause that brings you here tonight is so important. If government services that play an important part in your everyday life are going to be taken out of the hands of bureaucrats on the shores of the Potomac and returned to Texas, then you want someone in charge here who will see that they're properly administered.

Governor Bill Clements has demonstrated with hard work and leadership that State government can work and work well. He's reduced the number of State employees and cut taxes at the same time and has brought in corporate executives to lend their expertise to make State government more efficient. He has launched an effort to control waste and fraud. Texas parents can be grateful that he's put a new emphasis on basics and discipline in the classroom. And in that connection, I hope you will agree with something that we've set in motion—has nothing to do with the budget—a constitutional amendment to once again let God back into the classroom and permit voluntary prayer there.

With protection of young people in mind, Bill declared war on crime and went on the offensive against drugs. And finally, a subject close to my heart: Bill Clements has been one of the most responsive Governors in the 50 States in our efforts to promote voluntarism. Building on that frontier spirit for which Texas is famous, he has been encouraging people to get involved, to help one another, to take more responsibility for their family and community. He's promoted the use of volunteers and direct citizen involvement in mental health and human resource programs.

Let me just say again: The best future Governor of Texas is the present Governor of Texas, Bill Clements.

And now, if you don't mind, I'd like to mention an area of vital concern to all Americans—Republicans, Democrats, and I was going to say Independents, but I'll say ticket-splitters—[*laughter*]—when in Rome—[*laughter*]. But I have, as the President told you, just returned from Europe, where I met with our allies and discussed our common defense and economic concerns. I was never more aware of how important a strong and vibrant America is to the rest of world and to the future freedom of mankind.

Not too long ago, our friends and adversaries had begun to doubt our resolve. Our defenses were permitted to erode. We seemed paralyzed by self-doubt and a loss of confidence. Well, those days of self-doubt are over. While we didn't agree on everything, our allies understand our commitment, our sense of purpose, our strength of character.

I was fortunate enough to be permitted to address a joint session of Parliament in the cradle of democracy, and the Bundestag, the parliament of West Germany. Now, I know you've heard about the hostile demonstrations. They were well organized and orchestrated. But they were no match for the people in each of the cities—six cities that we visited, who lined the streets to cheer as we went by. They waved American flags, and they held up homemade signs that read "We love America."

Now, I know that a great many of the peace demonstrators are truly sincere. Indeed, I think all of us share their desire for peace. But I'm equally sure that those who plan and promote some of the demonstrations have motives of their own. And I will believe in their sincerity when they promote or demand a peace demonstration on the other side of the Iron Curtain.

You who live here in Texas, a place where the spirit of freedom has played such a significant role, you serve to remind the rest of us about the true value of freedom. While many States look to government programs or Federal assistance, you stress individual responsibility and free enterprise. What you've created here has captured the imagination of the world. Entrepreneurs, laborers, and men and women looking for opportunity are flocking here not expecting a handout, but knowing that with hard work they can improve their lives. That's what Texas is and, I hope, will always be about.

One hundred and fifty years ago there was a similar migration. They had tougher battles to fight, but they established a tradition of rugged independence that lives on today. Sam Houston once said, "Texas could exist without the United States, but the United States cannot, except at very great hazard, exist without Texas."

Over the years through two World Wars and in Korea and Vietnam, we've learned the truth of Sam Houston's words. And they're as true in peace as in war. We can count on Texas.

So, tonight let me thank you for standing firm. Together as Americans we can stand firm with that same pride. Together we can keep this great and free country the way God intended it to be. And may I just say one thing. I can't claim that—I told some people the other day that I know all the national anthems in the world—but I do know that the only national anthem I know that ends in a question is our national anthem: "Does that banner still wave o'er the land of the free and the home of the brave?" And I know the answer to that question where you're concerned. You bet it does, and it's going to stay waving over that land.

God bless you, and thank you very much.

Note: The President spoke at 9:58 p.m. in the West Room at the Albert Thomas Convention Center.

Statement on the Transfer of Federal Lands to Houston, Texas

June 16, 1982

Like just about everything else in Houston, aviation activity has grown tremendously in recent years. Despite the major expansion at both Hobby and Intercontinental Airports, this thriving metropolitan area needs additional capacity, especially for general aviation.

I am happy to announce that we are doing something to meet this need today: We have decided to convey to the city of Houston, at no cost, large portions of the land occupied by Ellington Air Force Base.

The continued use of this property as an airport is the most practical and economical way to solve the severe airport capacity problem in the Houston-Galveston metropolitan area. As a civil airport, this property will be put to efficient, practical use for the benefit of the greater Houston community as well as the national transportation system. Houston has made a firm commitment to invest in improvements for the airport property.

Ellington was declared surplus to the Air Force's needs back in 1976. Since then, there has been some competition between Houston and the neighboring city of Pasadena, Texas, both of which requested land for an airport. In selecting Houston, we hope that the airport is one that both cities—and all the people of this area—can share.

Two points should be made about the transfer of the property. First, the exact acreage to be transferred for the airport has not been determined, but it will include whatever is necessary for safe, efficient operations, the needs of the community, and the Nation's airspace system. Second, my administration has initiated a policy of seeking fair-market value when we dispose of surplus Federal property. Our Federal property is a capital asset, and we must improve our management of it. Last February, I signed an Executive order that will help meet this goal by establishing a Property Review Board at the White House to oversee Federal property sales. To underscore our commitment, the members of this Board include several of my senior advisers. We intend to take the proceeds from property sales and place them in a special account in the Treasury—an account that will be used exclusively to offset the national debt. Thus, we will be looking for buyers for the remaining parts of the property that are not needed for the airport.

Houston has a proud past and a bright future. Aviation has long been a part of the growth and development of this great State and this magnificent, dynamic city. The new general aviation airport to be situated here will enable more people to fly to the Houston area for business and for pleasure, and to enjoy all that the area has to offer.

Message to the Senate Transmitting the United States-China Agreement on Taxation of Transportation Income

June 16, 1982

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, an Agreement between the Government of the United States of America and the Government of the People's Republic of China with respect to mutual exemption from taxation of transportation income of shipping and air transport enterprises, signed at Beijing on March 5, 1982. I also transmit the report of the Department of State on the Agreement.

Under the Agreement, United States enterprises will be exempt from Chinese income taxes and Chinese enterprises will be exempt from United States Federal income tax on income derived from the operation of ships and aircraft in international traffic. The exempt income includes income from the leasing of ships, aircraft and containers used in international traffic.

As with other treaties of this kind, the provisions of the Agreement do not affect the United States taxation of residents and citizens of the United States, or China's taxation of its residents and citizens.

I recommend that the Senate give early and favorable consideration to the Agreement and give advice and consent to its ratification.

RONALD REAGAN

The White House,
June 16, 1982.

Remarks in New York City Before the United Nations General Assembly Special Session Devoted to Disarmament

June 17, 1982

Mr. Secretary-General, Mr. President, distinguished delegates, ladies and gentlemen:

I speak today as both a citizen of the United States and of the world. I come with the heartfelt wishes of my people for peace, bearing honest proposals and looking for genuine progress.

Dag Hammarskjöld said 24 years ago this month, "We meet in a time of peace, which is no peace." His words are as true today as they were then. More than a hundred disputes have disturbed the peace among nations since World War II, and today the threat of nuclear disaster hangs over the lives of all our people. The Bible tells us there will be a time for peace, but so far this century mankind has failed to find it.

The United Nations is dedicated to world peace, and its charter clearly prohibits the international use of force. Yet the tide of belligerence continues to rise. The charter's influence has weakened even in the 4 years since the first special session on disarmament. We must not only condemn aggression; we must enforce the dictates of our charter and resume the struggle for peace.

The record of history is clear: Citizens of the United States resort to force reluctantly and only when they must. Our foreign policy, as President Eisenhower once said, "is not difficult to state. We are for peace first, last, and always for very simple reasons." We know that only in a peaceful atmosphere, a peace with justice, one in which we can be confident, can America prosper as we have known prosperity in the past, he said.

He said to those who challenge the truth of those words, let me point out, at the end of World War II, we were the only undamaged industrial power in the world. Our military supremacy was unquestioned. We had harnessed the atom and had the ability to unleash its destructive force anywhere in the world. In short, we could have achieved world domination, but that was contrary to the character of our people. Instead, we wrote a new chapter in the history of mankind.

We used our power and wealth to rebuild the war-ravaged economies of the world, both East and West, including those nations who had been our enemies. We took the initiative in creating such international institutions as this United Nations, where leaders of good will could come together to build bridges for peace and prosperity.

America has no territorial ambitions. We occupy no countries, and we have built no walls to lock our people in. Our commitment to self-determination, freedom, and peace is the very soul of America. That commitment is as strong today as it ever was.

The United States has fought four wars in my lifetime. In each, we struggled to defend freedom and democracy. We were never the aggressors. America's strength and, yes, her military power have been a force for peace, not conquest; for democracy, not despotism; for freedom, not tyranny. Watching, as I have, succeeding generations of American youth bleed their lives onto far-flung battlefields to protect our ideals and secure the rule of law, I have known how important it is to deter conflict. But since coming to the Presidency, the enormity of the responsibility of this office has made my commitment even deeper. I believe that responsibility is shared by all of us here today.

On our recent trip to Europe, my wife, Nancy, told me of a bronze statue, 22 feet high, that she saw on a cliff on the coast of France. The beach at the base of the cliff is called Saint Laurent, but countless American family Bibles have written it in on the flyleaf and know it as Omaha Beach. The pastoral quiet of that French countryside is in marked contrast to the bloody violence that took place there on a June day 38 years ago when the Allies stormed the Continent. At the end of just one day of battle, 10,500 Americans were wounded, missing, or killed in what became known as the Normandy landing.

The statue atop that cliff is called "The Spirit of American Youth Rising From the Waves." Its image of sacrifice is almost too powerful to describe.

The pain of war is still vivid in our national memory. It sends me to this special session of the United Nations eager to comply with the plea of Pope Paul VI when he spoke in this chamber nearly 17 years ago. "If you want to be brothers," His Holiness said, "let the arms fall from your hands." Well, we Americans yearn to let them go. But we need more than mere words, more than empty promises before we can proceed.

We look around the world and see rampant conflict and aggression. There are many sources of this conflict—expansionist ambitions, local rivalries, the striving to obtain justice and security. We must all work to resolve such discords by peaceful means and to prevent them from escalation.

In the nuclear era, the major powers bear a special responsibility to ease these sources of conflict and to refrain from aggression. And that's why we're so deeply concerned by Soviet conduct. Since World War II, the record of tyranny has included Soviet violation of the Yalta agreements leading to domination of Eastern Europe, symbolized by the Berlin Wall—a grim, gray monument to repression that I visited just a week ago. It includes the takeovers of Czechoslovakia, Hungary, and Afghanistan; and the ruthless repression of the proud people of Poland. Soviet-sponsored guerrillas and terrorists are at work in Central and South America, in Africa, the Middle East, in the Caribbean, and in Europe, violating human rights and unnerving the world with violence. Communist atrocities in Southeast Asia, Afghanistan, and elsewhere continue to shock the free world as refugees escape to tell of their horror.

The decade of so-called détente witnessed the most massive Soviet buildup of military power in history. They increased their defense spending by 40 percent while American defense actually declined in the same real terms. Soviet aggression and support for violence around the world have eroded the confidence needed for arms negotiations. While we exercised unilateral restraint, they forged ahead and today possess nuclear and conventional forces far in excess of an adequate deterrent capability.

Soviet oppression is not limited to the countries they invade. At the very time the Soviet Union is trying to manipulate the peace movement in the West, it is stifling a budding peace movement at home. In Moscow, banners are scuttled, buttons are snatched, and demonstrators are arrested when even a few people dare to speak about their fears.

Eleanor Roosevelt, one of our first ambassadors to this body, reminded us that the high-sounding words of tyrants stand in bleak contradiction to their deeds. "Their promises," she said, "are in deep contrast to their performances."

My country learned a bitter lesson in this century: The scourge of tyranny cannot be stopped with words alone. So, we have embarked on an effort to renew our strength that had fallen dangerously low. We refuse to become weaker while potential adversaries remain committed to their imperialist adventures.

My people have sent me here today to speak for them as citizens of the world, which they truly are, for we Americans are drawn from every nationality represented in this chamber today. We understand that men and women of every race and creed can and must work together for peace. We stand ready to take the next steps down the road of cooperation through verifiable arms reduction.

Agreements on arms control and disarmament can be useful in reinforcing peace; but they're not magic. We should not confuse the signing of agreements with the solving of problems. Simply collecting agreements will not bring peace. Agreements genuinely reinforce peace only when they are kept. Otherwise we're building a paper castle that will be blown away by the winds of war.

Let me repeat, we need deeds, not words, to convince us of Soviet sincerity, should they choose to join us on this path.

Since the end of World War II, the United States has been the leader in serious disarmament and arms control proposals. In 1946, in what became known as the Baruch plan, the United States submitted a proposal for control of nuclear weapons and nuclear energy by an international authority. The Soviets rejected this plan. In 1955 President Eisenhower made his "Open Skies" proposal, under which the United States and the Soviet Union would have exchanged blueprints of military establishments and provided for aerial reconnaissance. The Soviets rejected this plan.

In 1963 the Limited Test Ban Treaty came into force. This treaty ended nuclear weapons testing in the atmosphere, outer space, or under water by participating nations. In 1970 the Treaty on the Non-Proliferation of Nuclear Weapons took effect.

The United States played a major role in this key effort to prevent the spread of nuclear explosives and to provide for international safeguards on civil nuclear activities.

My country remains deeply committed to those objectives today, and to strengthening the nonproliferation framework. This is essential to international security. In the early 1970's, again at United States urging, agreements were reached between the United States and the U.S.S.R. providing for ceilings on some categories of weapons. They could have been more meaningful if Soviet actions had shown restraint and commitment to stability at lower levels of force.

The United Nations designated the 1970's as the First Disarmament Decade. But good intentions were not enough. In reality that 10-year period included an unprecedented buildup in military weapons and the flaring of aggression and use of force in almost every region of the world. We are now in the Second Disarmament Decade. The task at hand is to assure civilized behavior among nations, to unite behind an agenda of peace.

Over the past 7 months, the United States has put forward a broad-based, comprehensive series of proposals to reduce the risk of war. We have proposed four major points as an agenda for peace: elimination of land-based, intermediate-range missiles; a one-third reduction in strategic ballistic missile warheads; a substantial reduction in NATO and Warsaw Pact ground and air forces; and new safeguards to reduce the risk of accidental war. We urge the Soviet Union today to join with us in this quest. We must act not for ourselves alone, but for all mankind.

On November 18th of last year, I announced United States objectives in arms control agreements. They must be equitable and militarily significant. They must stabilize forces at lower levels, and they must be verifiable. The United States and its allies have made specific, reasonable, and equitable proposals.

In February, our negotiating team in Geneva offered the Soviet Union a draft treaty on intermediate-range nuclear forces. We offered to cancel deployment of our Pershing II ballistic missiles and ground-launched cruise missiles in exchange for Soviet elimination of the SS–20, SS–4, and SS–5 missiles. This proposal would eliminate with one stroke those systems about which both sides have expressed the greatest concern.

The United States is also looking forward to beginning negotiations on strategic arms reductions with the Soviet Union in less than 2 weeks. We will work hard to make these talks an opportunity for real progress in our quest for peace.

On May 9th I announced a phased approach to the reduction of strategic arms. In a first phase, the number of ballistic missile warheads on each side would be reduced to about 5,000. No more than half the remaining warheads would be on land-based missiles. All ballistic missiles would be reduced to an equal level, at about one-half the current United States number. In the second phase, we would reduce each side's overall destructive power to equal levels, including a mutual ceiling on ballistic missile throw-weight below the current U.S. level. We are also prepared to discuss other elements of the strategic balance.

Before I returned from Europe last week, I met in Bonn with the leaders of the North Atlantic Treaty Organization. We agreed to introduce a major new Western initiative for the Vienna negotiations on Mutual Balanced Force Reductions. Our approach calls for common, collective ceilings for both NATO and the Warsaw Treaty Organization. After 7 years, there would be a total of 700,000 ground forces and 900,000 ground and air force personnel combined. It also includes a package of associated measures to encourage cooperation and verify compliance.

We urge the Soviet Union and members of the Warsaw Pact to view our Western proposal as a means to reach agreement in Vienna after 9 long years of inconclusive talks. We also urge them to implement the 1975 Helsinki agreement on security and cooperation in Europe.

Let me stress that for agreements to work, both sides must be able to verify compliance. The building of mutual confidence in compliance can only be achieved through greater openness. I encourage the special session on disarmament to endorse the importance of these principles in arms control agreements. I have instructed our representatives at the 40-nation Committee on Disarmament to renew emphasis on verification and compliance. Based on a U.S. proposal, a committee has been formed to examine these issues as they relate to restrictions on nuclear testing.

We are also pressing the need for effective verification provisions in agreements banning chemical weapons. The use of chemical and biological weapons has long been viewed with revulsion by civilized nations. No peacemaking institution can ignore the use of those dread weapons and still live up to its mission. The need for a truly effective and verifiable chemical weapons agreement has been highlighted by recent events. The Soviet Union and their allies are violating the Geneva Protocol of 1925, related rules of international law, and the 1972 Biological Weapons Convention. There is conclusive evidence that the Soviet Government has provided toxins for use in Laos and Kampuchea, and are themselves using chemical weapons against freedom-fighters in Afghanistan.

We have repeatedly protested to the Soviet Government, as well as to the Governments of Laos and Vietnam, their use of chemical and toxin weapons. We call upon them now to grant full and free access to their countries or to territories they control so that United Nations experts can conduct an effective, independent investigation to verify cessation of these horrors.

Evidence of noncompliance with existing arms control agreements underscores the need to approach negotiation of any new agreements with care. The democracies of the West are open societies. Information on our defenses is available to our citizens, our elected officials, and the world. We do not hesitate to inform potential adversaries of our military forces and ask in return for the same information concerning theirs.

The amount and type of military spending by a country is important for the world to know, as a measure of its intentions and the threat that country may pose to its neighbors. The Soviet Union and other closed societies go to extraordinary lengths to hide their true military spending, not only from other nations but from their own people. This practice contributes to distrust and fear about their intentions.

Today, the United States proposes an international conference on military expenditures to build on the work of this body in developing a common system for accounting and reporting. We urge the Soviet Union, in particular, to join this effort in good faith, to revise the universally discredited official figures it publishes, and to join with us in giving the world a true account of the resources we allocate to our armed forces.

Last Friday in Berlin, I said that I would leave no stone unturned in the effort to reinforce peace and lessen the risk of war. It's been clear to me steps should be taken to improve mutual communication, confidence, and lessen the likelihood of misinterpretation. I have, therefore, directed the exploration of ways to increase understanding and communication between the United States and the Soviet Union in times of peace and of crisis.

We will approach the Soviet Union with proposals for reciprocal exchanges in such areas as advance notification of major strategic exercises that otherwise might be misinterpreted; advance notification of ICBM launches within, as well as beyond, national boundaries; and an expanded exchange of strategic forces data.

While substantial information on U.S. activities and forces in these areas already is provided, I believe that jointly and regularly sharing information would represent a qualitative improvement in the strategic nuclear environment and would help reduce the chance of misunderstandings. I call upon the Soviet Union to join the United States in exploring these possibilities to build confidence, and I ask for your support of our efforts.

One of the major items before this conference is the development of a comprehensive program of disarmament. We support the effort to chart a course of realistic and effective measures in the quest for peace.

I have come to this hall to call for international recommitment to the basic tenet of the United Nations Charter—that all members practice tolerance and live together in peace as good neighbors under the rule of law, forsaking armed force as a means of settling disputes between nations. America urges you to support the agenda for peace that I have outlined today. We ask you to reinforce the bilateral and multilateral arms control negotiations between members of NATO and the Warsaw Pact and to rededicate yourselves to maintaining international peace and security, and removing threats to peace.

We, who have signed the U.N. Charter, have pledged to refrain from the threat or use of force against the territory or independence of any state. In these times when more and more lawless acts are going unpunished—as some members of this very body show a growing disregard for the U.N. Charter—the peace-loving nations of the world must condemn aggression and pledge again to act in a way that is worthy of the ideals that we have endorsed. Let us finally make the charter live.

In late spring, 37 years ago, representatives of 50 nations gathered on the other side of this continent, in the San Francisco Opera House. The League of Nations had crumbled, and World War II still raged. But those men and nations were determined to find peace. The result was this charter for peace that is the framework of the United Nations.

President Harry Truman spoke of the revival of an old faith. He said the everlasting moral force of justice prompting that United Nations Conference—such a force remains strong in America and in other countries where speech is free and citizens have the right to gather and make their opinions known. And President Truman said, "If we should pay merely lip service to inspiring ideals, and later do violence to simple justice, we would draw down upon us the bitter wrath of generations yet unborn." Those words of Harry Truman have special meaning for us today as we live with the potential to destroy civilization.

"We must learn to live together in peace," he said. "We must build a new world—a far better world." What a better world it would be if the guns were silent, if neighbor no longer encroached on neighbor, and all peoples were free to reap the rewards of their toil and determine their own destiny and system of government, whatever their choice.

During my recent audience with His Holiness Pope John Paul II, I gave him the pledge of the American people to do everything possible for peace and arms reduction. The American people believe forging real and lasting peace to be their sacred trust. Let us never forget that such a peace would be a terrible hoax if the world were no longer blessed with freedom and respect for human rights.

"The United Nations," Hammarskjöld said, "was born out of the cataclysms of war. It should justify the sacrifices of all those who have died for freedom and justice. It is our duty to the past." Hammarskjöld said, "And it is our duty to the future so to serve both our nations and the world."

As both patriots of our nations and the hope of all the world, let those of us assembled here in the name of peace deepen our understandings, renew our commitment to the rule of law, and take new and bolder steps to calm an uneasy world. Can any delegate here deny that in so doing he would be doing what the people, the rank and file of his own country or her own country want him or her to do? Isn't it time for us to really represent the deepest most heartfelt yearnings of all of our people?

Let no nation abuse this common longing to be free of fear. We must not manipulate our people by playing upon their nightmares. We must serve mankind through genuine disarmament. With God's help we can secure life and freedom for generations to come.

Thank you very much.

Note: The President spoke at 11:02 a.m. in the General Assembly Hall. Prior to his remarks, he met separately with United Nations Secretary-General Javier Perez de Cuellar and General Assembly President Ismit Kittani. Secretary of State Alexander M. Haig, Jr., also attended the meetings.

Remarks in New York City to Employees of the United States Mission to the United Nations
June 17, 1982

Mr. Secretary, Ambassador Kirkpatrick, you ladies and gentlemen, a good morning to you all. It's a pleasure to have this opportunity to meet with you today and thank all of you for your hard work. I just wish I had the time to greet each one of you personally. Maybe there will be a day before this job's over when that can happen. But so far it seems as if by the time I've finished breakfast, I'm 30 minutes behind schedule and it stays that way all day. [*Laughter*]

You're each a special representative of the United States. In your work and daily lives, you symbolize for the world the values, the ideals, and the good will of the American people. And we're very proud to have you represent us.

Your work here, of course, has two goals—to represent America's interest, but you also are peacemakers, easing the tensions and securing the rule of law in the world. But those two goals are really the same, because the United States believes that it is only in a peaceful world—one in which there is respect for individual human rights—that we can prosper. And I can sympathize, however, with the frustrations that you encounter.

I've already this morning—General Assembly, quoted Dag Hammarskjöld that he used to tell a story about the ancient Chinese peacemakers, followers of the philosopher Sung Tzu some 350 years B.C., and I think you'll recognize their trials. Constantly rebuffed but never discouraged, they went 'round from state to state helping people to settle their differences, arguing against wanton attack, and pleading for the suppression of arms—that the age in which they lived might be saved from its state of continual war. To this end, they interviewed princes and lectured the common people—nowhere meeting with any great success, but obstinately persisting in their task til kings and commoners alike grew weary of listening to them. And yet, undeterred, they continued to force themselves on the people's attention.

Well, the former Secretary-General would end his tale by saying that the original storyteller tempered his pessimism with a mild sense of humor and a stong sense of proportion in seeing his own time in the long perspective of history.

Your jobs are certainly not easy. Every day you confront delicate and complicated tasks. But remember, although it may seem sometimes that no one's listening, that the peacemakers aren't making much progress, through your efforts and those of your colleagues, mankind has one of its first real chances to live together in peace with the universal recognition of human rights.

On that trip that Al mentioned in Europe, one of the highspots was meeting with a group of your colleagues. They happened to be in uniform. And you may wonder why I would say "your colleagues." Well, I happen to think that they, too, are the peacemakers. That's why they're there—to deter war and to prove that there are values that we must defend at all costs.

And we got off the airplane in Tempelhof, the airport, and there were hundreds of them there, many with their families and their little children. And I want to tell you, I grew 2 inches taller just with pride alone. They're just great. And if you've had any questions about them, let me tell you that they're putting up with the frustrations, too, but there's nothing wrong with their esprit de corps. They're all American and a yard wide, every one of them. And it was a thrilling moment.

It also was thrilling, though, to drive down the streets, and even though you seem to read more about demonstrations than what I'm going to talk about—this wasn't written about so much, but the streets would be lined as if for a parade. And these would be people of foreign countries. Incidentally, the polls said that as high as 80 percent of the people in those countries wanted our friendship. And these people—many of them would be waving little American flags. Where they got them, I don't know. But also many of them would be raising up handmade signs that said, "We love America."

So, just remember that sometime when the going is very rough and you're particularly frustrated, before you push the typewriter off the desk—[*laughter*]—just stick with the rest, because we're going to get the job done, thanks to you.

God bless all of you. Thank you. Thank you very much.

I've got to say one last word. [*Laughter*] I said this to some people the other day. Might be like the little child, you know, that knelt down one night and prayed to God to give him more patience. And then he says, "And I want it right now." [*Laughter*]

Note: The President spoke at 11:46 a.m. in the U.S. Mission auditorium. Prior to his remarks, he toured an exhibit on disarmament mounted by the U.S. International Communication Agency. He was accompanied by Secretary of State Alexander M. Haig, Jr., and Ambassador Jeane J. Kirkpatrick, U.S. Representative to the United Nations.

Toasts of the President and United Nations Secretary-General Javier Perez de Cuellar at a Luncheon in New York City

June 17, 1982

The Secretary-General. President Reagan, Excellencies, ladies and gentlemen, it is a great honor to welcome you, Mr. President, to the United Nations. Your address this morning was a most heartening statement of the American commitment to the role of disarmament which has brought together the representatives of practically every country in the world.

The United States of course has a particularly important role to play in these endeavors. If past history suggests a skepticism about the potential success of disarmament efforts, the circumstances in which we live today point to the necessity of success. The peril entailed for all in ever more destructive nuclear weapons, the utilization of more and more resources for arms, the fear to which you have recently alluded, Mr. President, in which we now exist, all of these compel us to approach the limitation and reduction of arms as something which can and must be achieved.

The negotiations which are underway in Geneva between the United States and the Soviet Union on intermediate-range nuclear missiles and those which will begin at the end of this month on the strategic systems are especially welcome as part of this process. We can be more confident about the fate of the world if these talks succeed.

Disarmament and international security are inextricably related. There can be no doubt that equitable and verifiable reduction in nuclear and conventional arms can contribute to the increased confidence of our nations which durable peace requires. But it is equally true that armed conflicts such as those we have witnessed in these days threaten international security and escalate the arms race.

Must we conclude then that the arms race will continue as long as conflicts persist? I think, Mr. President, you provided the answer to this question when you stated recently at Eureka College that peace is not the absence of conflict, but the ability to cope with conflict by peaceful means. As long as there are nation-states, differences between them are likely to continue. However, the United Nations Charter, in the drafting of which the United States had such a major role, declared that all members shall settle their international disputes by peaceful means. The United Nations possesses the machinery to help resolve such disputes if only it is used resolutely and effectively.

I am deeply convinced, Mr. President, that if every one of the current and recent armed conflicts had been resolved by peaceful means available under the charter with our resolved ones, this could ultimately have been in the best interests of all the parties involved. This could also be in the interest of international security as a whole, since we all have witnessed the danger of such conflicts escalating beyond their original confines and involve new combatants in an increasingly threatening spiral.

Mr. President, it was in large part due to the vision of one of your distinguished predecessors, Franklin D. Roosevelt—whose centenary we celebrate this week—that this United Nations was formed. Under his inspired guidance and long before the end of World War II, the United Nations took the lead in planning for a new international organization to preserve the future peace. The historical commitment of the United States of the United Nations is as valid and as necessary today as it was then.

It was foreseen at that time that to be effective in strengthening international security, this organization will require the strong and unified support of, in particularly, the major powers. Indeed, they have a special responsibility for peace and security, which was specifically recognized by according them permanent membership in the Security Council.

I would like to suggest that, notwithstanding the serious differences, differences that exist among these powers, it is in their interest and in the interest of the world as a whole to cooperate in strengthening the capacity of the United Nations to resolve, through peaceful means, present and future conflicts. Only in this way can they ensure that the responsibility they accepted in the founding of this organization are fully met.

Mr. President, the United Nations first took shape in Washington on Dumbarton Oaks 38 years ago. Through all of the ensuing years the active and constructive participation of the United States and the problems of the organization have reflected the original American commitment to the concept of a world organization through which peace, social justice, and economic cooperation could be pursued.

The United States is the largest financial contributor to the United Nations. It extends its hospitality to the United Nations headquarters and numerous United Nations organizations. As humanitarian and peacekeeping needs have arisen, American assistance and American initiative has always been forthcoming.

I wish to take this occasion to express the most sincere appreciation for all of the support which the United Nations has rendered. This continuing cooperation and commitment is indeed necessary in order to achieve the purposes and principles of the United Nations Charter.

Mr. President, your steadfast, personal commitment to these principles is exemplified by your presence with us today. I know that your deeply held belief in the worth of the charter, the dignity and worth of the human person, is a source of strength and inspiration to us all. Your dedication to the fundamentally human value of respect for the individual and your conviction that the life of opportunity and fulfillment can be assured for all humankind are profoundly encouraging. It is indeed such hope and confidence as you have generated that we need to meet the aspirations of the world's people for peace, freedom, and justice.

Excellencies, ladies and gentlemen, I would like you to join me in a toast to His Excellency President Ronald Reagan and to the United States of America. To the President.

The President. Well, Mr. Secretary-General, Mr. President, Your Excellencies, honored guests, it's a privilege for me to be with you today, because it provides an opportunity to express this country's continued commitment to the principles on which the United Nations was founded some 37 years ago.

This body was born out of the brutality and chaos of a terrible war, a war that had engulfed the planet with a ferocity of destruction such as mankind had never known before. My longevity has given me a perspective on the founding of the United Nations that was useful in the preparation of the remarks that I made today—and some attention called to that longevity on occasion—but I do remember the U.N.'s first days and our hopes at that time that this would be a forum for all mankind, replacing armed conflict with debate. We hoped that when necessary, it could do what had to be done to prevent aggression.

And yesterday, Mr. Secretary-General, you presided over a convocation honoring the centenary of a great American leader—Franklin Roosevelt. I recall the inspiration of his declaration with Winston Churchill of the four freedoms at a time when the freedom-loving people of the world were sorely in need of inspiration. In a very real way, this, an institution dedicated to peace, was his dream. I can asure you today, however imperfect the reality may be, Americans still dream that dream.

Much has happened in these last 37 years. Our countrymen can be proud that from the first day, the U.N. has had from the United States the utmost moral, political and—you, yourself, generously remarked—financial support. But I should point out that even in a time of domestic entrenchment, American financial support has not and will not decline.

This institution has not become the panacea for all of mankind's problems as some expected. Nevertheless, it has been and can be a force for great good. While it hasn't solved every problem or prevented every conflict, there have been shining accomplishments. More than a few are alive and live decently because of this institution.

Perhaps now we have a more mature view of the United Nations. While recognizing its limitations, we don't overlook its real potential and the opportunities, opportunities that for the sake of humanity we cannot afford to waste.

We welcome and support, for example, the sincere and personal efforts made by the Secretary-General to prevent, contain, and resolve the conflicts in the South Atlantic, in Lebanon, and in Iran and Iraq. You may be new to your job, Mr. Secretary-General, but your vigor and commitment during this trying time have impressed all those who love peace.

As President of the United States, the preservation of peace is a mandate second only to the preservation of my country's freedom and independence. With the destructive power of today's weapons, keeping the peace is not just a goal; it's a sacred obligation. But maintaining peace requires more than sincerity and idealism—more than optimism and good will. As you know well, peace is a product of hard, strenuous labor by those dedicated to its preservation. It requires realism, not wishful thinking.

For our part, we take the issue of arms control and disarmament—the purpose of this special session—very seriously. The tangible proposals we've made and that I spoke of this morning for nuclear and conventional arms reduction should underline our dedication to making this a safer and a more peaceful world. To this end, we seek to reestablish a balance and an actual reduction of strategic weapons.

An unpleasant reality, but true nonetheless, is the fact that many words must be spoken before progress between nations can be made. So, let us get on with the words. Yet, it's been said that through their deeds, you shall know men. So, let us get on with the deeds of peace as well.

So today, I offer you this toast. Mr. Secretary-General, to you, and to this institution, and to the need for peace.

The Secretary-General. Peace.

Note: The Secretary-General spoke at 1:35 p.m. in the Delegates Dining Room at the United Nations.

Following the luncheon, the President met with President Abdus Sattar of Bangladesh.

Appointment of 29 Members of the National Highway Safety Advisory Committee

June 17, 1982

The President today announced his intention to appoint the following individuals to be members of the National Highway Safety Advisory Committee:

Richard L. Berkley has been serving as mayor of Kansas City, Mo., since 1979. He was born June

29, 1931. He will succeed Sheila D. Sidles.

Matthew J. Binder is president of Humer-Binder Co., Inc., in New York City. He was born January 14, 1917. He will succeed Daniel Patrick Kavanaugh.

James H. Brennan is chairman of the board and president of the Brennan Industrial Truck Co. in Toledo, Ohio. He was born May 17, 1926. He will succeed William Boone Darden.

Russell I. Brown is a semi-retired traffic safety consultant. He resides in Rockville, Md., and was born April 4, 1925. He will succeed John S. Trees.

Harold Coker is president of Coker Tire Co. in Chattanooga, Tenn. He was born December 24, 1929. He will succeed Peter J. Allen.

Walter W. Gray, Jr., is professor of health and safety and director of Indiana State University Driver and Traffic Safety Instructional Demonstration Center. He resides in Terre Haute, Ind., and was born May 26, 1919. He will succeed Sandra Joan Thomson.

Peter Griskivich is vice president of the motor truck manufacturers division of Motor Vehicle Manufacturers Association in Washington, D.C. He was born September 8, 1923. He will succeed Harper Brewer, Jr.

Michael J. Hermreck is president of M. J. Hermreck, Inc., in Nipomo, Calif. He was born February 2, 1920. He will succeed Carl E. Serna.

Lexie Herrin is with Von Haeneld-Herrin and Associates, accident reconstruction engineers, in Glendale, Calif. He was born May 17, 1925. He will succeed Daniel F. Portis.

Henry Edward Hudson is presently serving as Commonwealth's attorney for Arlington County, Va. He was born July 24, 1947. He will succeed Jack O. Hicks.

Michael L. Johnson is coroner for Ada County, Idaho. He was born July 9, 1954. He will succeed Howard J. Wigder.

G. Lawrence Keller is senior vice president-corporate development, of the Coleman Co., Inc., in Wichita, Kans. He was born May 18, 1917. He will succeed Laurence P. Ourso.

Joanne Corday Kozberg is with the Coro Foundation in Los Angeles, Calif. She was born July 4, 1944. She will succeed James C. Schultz.

Dan Heflin Kuykendall, Sr., is president of DK Consultants, Inc., in Washington, D.C. He was born July 9, 1924. He will succeed Harold T. Johnson.

George A. Luciano is secretary of public safety for the Commonwealth of Massachusetts, Boston. He was born January 17, 1927. He will succeed Robert William Landon.

Paul R. Meyer, Jr., is professor of orthopedic surgery and director, spinal cord injury program at Northwestern University Medical School in Chicago, Ill. He was born November 2, 1931. He will succeed Jane Hardy Cease.

Anatole Milunas has been with DeLeuw Cather and Co. in Chicago, Ill., since 1963. He was born August 3, 1926. He will succeed R. Adams Cowley.

Stanley J. Preebe is a consultant and adviser on industrial sales based in Cleveland, Ohio. He was born December 7, 1918. He will succeed Archie G. Richardson, Jr.

J. T. Quigg is serving as State senator for Washington State. He resides in Aberdeen, Wash., and was born June 15, 1947. He will succeed Todd Renfrow.

William A. Roper, Jr., is consultant, DNS Associates, Inc., in Lexington, Mass. He was born January 27, 1957. He will succeed Marilyn Berry Thompson.

John W. Ruger is retired. He was with General Motors Acceptance Corp. for 37 years. He resides in Katonah, N.Y., and was born September 12, 1916. He will succeed Sanford Cloud, Jr.

William B. Snyder is president of GEICO in Washington, D.C. He was born July 9, 1929. He will succeed Thomas J. Corcoran, Jr.

Taras G. Szmagala is manager of communications for the Greater Cleveland Regional Transit Authority. He was born May 5, 1933. He will succeed Howard G. Gibson.

Evie Teegen is active in Republican Party politics and community affairs in Edina, Minn. She was born November 17, 1931. She will succeed Lawrence H. Stern.

John W. Thomas, Jr., is president of Thomas Built Buses, Inc., in High Point, N.C. He was born June 9, 1927. He will succeed Ralph W. VanNatta.

Frank A. Ursomarso is vice president and general manager of Union Park Pontiac, Inc., in Wilmington, Del. He is former Deputy Assistant to the President and Director of Communications under the Reagan administration. He was born September 19, 1942. He will succeed William D. Keith.

John Scott Van Wyk is owner of Mazda of Tucson, Ariz. He was born January 31, 1942. He will succeed William L. Mallory.

Kenneth E. Vetter is owner of Ken Vetter Insurance, Inc., in Bakersfield, Calif. He was born September 7, 1928. He will succeed Nicholas Figueroa.

Melville P. Windle is vice president and general counsel for Trans America Insurance Co. He resides in Rancho Palos Verdes, Calif., and was born April 16, 1926. He will succeed David W. Elizandro.

Remarks in New York City at a Reception for Delegates to the State Republican Convention

June 17, 1982

I want to tell you, if I could just say one thing—I know I have to be very careful, because you have primaries to go and so forth, and so I've got to stay neutral until the candidates are selected—except for one: the first Republican woman candidate here in the history of our party. But I know you'll have a spirited convention, and you'll have a spirited primary. But remember one thing—it came from the West, I know, but I'm still singing it—the greatest thing that's happened for the Republican Party is, when the chips are down and the decisions are made as to who the candidates will be, then the 11th commandment prevails and everybody goes to work, and that is: Thou shalt not speak ill of another Republican.

George invited us to drop by here before we went home after being at the United Nations earlier today. I'm always delighted to speak to Republican delegates. I have sort of developed a taste for that in the summer of 1980. [*Laughter*] But I'll tell you what I like about my fellow Republicans—their optimism and their dedication. And George is that kind of a Republican.

I remember back there when everyone told us to write off New York in 1980 and not to waste our time or effort here because there was no chance. And it was George Clark [1] who said, "Not on your life, nothing doing," and he was right. And you know what happened.

But it will be activists like him and you, the folks who organize and vote, who'll determine what America's going to be like in the years ahead. It's our job to muster the forces of hope and to show the Nation that change is possible.

Today we're engaged in a fierce struggle with the proponents of negativism, the advocates of "no." They offer the politics of no new ideas, no growth, no incentives to work, no incentives to save, and no firm security for the Nation. And we are and must remain the proponents of "yes."

Yes, we can have a brighter tomorrow. Yes, we can make government work. Yes, we can solve our problems. We can have a safe and strong America. We can live together in harmony no matter what our race or religion. And when it comes to our country, "yes" is the only word we understand, 'cause that's what we've grown up with as a country. The colonists said it, that they could seek a better world. The pioneers said, yes, we can open up the prairies and the frontiers. Heroes who've said, yes, we will defend freedom to the very end.

In 1982 we Republicans know what we stand for, unlike many of our opponents. After being in Washington for a year and a half there's one thing I know for sure; there are two sides to every question. [*Laughter*] And, come election year, the Democrats turn up on both sides. [*Laughter*]

We have an important job ahead, and it's getting our message across. It won't be easy. It's a tremendous job to do. But in spite of everything you hear, the issues really are with us. And it's up to us and to leaders like yourselves to become familiar, to know what the answers are and the arguments are when the battle gets underway. The issues are with us because we're trying to solve the problems that are facing this nation. And on November 2d, we'll have to get that story across. And then, I think, they will confirm the mandate that we received in 1980.

But let me just say a word about those issues and the comparison with where our opponents stand. The liberal leadership of the other party is going to have to explain why they, for 2 years in a row, fought right down to the wire—and have in the last few weeks—against reducing spending as if that were some kind of a sin against the body politic. It's the liberal leadership of that same party who first of all didn't want to give you the tax cuts that are scheduled for the next 2 years, but now want to take them away from you on the grounds that somehow they're responsible for the recession. Well, the truth is we had the recession before we had the program.

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[1] *New York State Republican chairman.*

And that same leadership has tried to protect every lord and fiefdom in the Federal bureaucracy, and we have reduced the size of the Federal Government by tens of thousands of people. George Bush is heading up a task force with regard to those regulations that I talked about during the campaign, all those unnecessary regulations. And do you know what he's accomplished with that task force so far in just eliminating unnecessary regulations? The savings to the people of America in manhours of work filling out papers for the Federal Government have been reduced by 200 million manhours.

I think we offer the people hope, hope that once again we have the chance and the answer to making America great again. We can set things right, and with people like yourselves here, I know we're going to do it.

Let me just—a few of the buzzwords, and then Nancy and I are going to have to run for that helicopter out there. But you've heard the term over and over again—"budget cuts." And more and more you're seeing the sobsister complaints about that we are throwing people out into the streets and there is no safety net and we're not doing what we should do for the people who must have our help. Well, in the first place, there have been no budget cuts. I wish there were. I wish we were in a situation where we could reduce the budget to less than it was the previous year, but we couldn't do that and preserve the safety net for those people who need help.

So, the '82 budget that we have now is bigger than the budget we inherited in '81. The '83 budget we're fighting for will be bigger than the '82 budget. But they won't be as much bigger. When we took office, the budgets were increasing in cost 17 percent a year. We cut that in half with the '82 budget, and we'll make another slice about that big in '83.

But let me just give you some things you might use in an argument about whether we are mistreating the people who need help. Oh, I know of 8,000 individuals whose social security checks have been eliminated—8,000 of them. We found out they'd been dead for an average of 7 years. [*Laughter*] They were still getting their check.

But government medical programs—over the seventies, from 1970 to 1980, increased an average of 16.9 percent a year in cost. Well, next year in the budget that we're fighting for, it won't be that much, but it'll be almost 15 percent. Does that sound as if we're denying medical care to those people who need it?

The budget—well, let me go back just 20 years, to 1962, to Camelot. [*Laughter*] John F. Kennedy—29 percent of his budget was for human needs. And in our budget, 51 percent is for human needs.

They tell us that we're wasting money on defense, that we shouldn't be spending all that money on defense. Well, I want to tell you, we had a few fellows out there with empty guns as a result of what had happened in the 4 years before we got here. We had airplanes that wouldn't fly for lack of spare parts and ships that couldn't leave harbor. Well, things are different now. And I want to tell you—[*applause*]—but did we, as they say, bankrupt the people for defense spending? In 1962, 46 percent of John F. Kennedy's budget was for defense. In 1983, less than 30 percent of our budget will be for defense.

Now, that's—I just think a few figures—we'll have more for you that you'll enjoy. [*Laughter*] I just found one yesterday—no, sorry—day before yesterday. Day before yesterday, we got the Inspector Generals, as they're known, from every department together. When we first got here, we appointed some people as a task force to help them and said they were a task force against fraud and waste and extravagance. They were to report to me every 6 months what they have found. And so the day before yesterday was their third 6-month report. And in just the 6 months that ended March 31st, they have saved the people of this country $5.8 billion that they found—[*applause*].

One little item that just might interest you, to show you what you can find if you look for it: They found out where we were paying $318 apiece for brackets in one department. And they found out they were available in a local store for $4 each. [*Laughter*]

Well, that's enough of that. It's great to see you here, and you carry on and don't get discouraged. I think that we're on the way.

I got the news this morning. In the month of May, housing starts in the building industry went up 22 percent over the previous—[*applause*].

All right, God bless you all, and, George, thank you for letting me be here.

Note: The President spoke at 6 p.m. in the Georgian Ballroom at the Sheraton Centre.

Following his appearance at the reception, the President returned to Washington, D.C.

Statement on Senate Approval of the Extension of the Voting Rights Act of 1965

June 18, 1982

On behalf of the American people, I congratulate the United States Senate for its statesmanlike decision to extend the Voting Rights Act of 1965.

Voting is one of the most cherished of our birthrights as American citizens. When practiced, it enriches our democracy; when threatened, it must be protected. Today's responsible action by the Senate sends a strong, bipartisan message: No American's vote shall be defiled, diluted, or denied.

The Voting Rights Act, and the amendments added to it in 1975, have significantly contributed to the achievement of full constitutional and political equality for black Americans, and for other minorities, especially Mexican Americans. I strongly believe there has also been a good-faith effort by the great majority of our people, in all regions, to ensure the provisions of this act are fully respected.

We can be gratified that the Senate has completed action on this important question and is now free to move on to other pressing issues.

Announcement of Additional United States Humanitarian Assistance for Lebanon

June 18, 1982

The President today decided that the United States should provide an additional $10 million in humanitarian relief to persons affected by the strife in Lebanon. These funds will come from existing appropriations. They are in addition to the $5 million the President made available last week and the $20 million the President has requested from Congress.

Earlier this week, the President appointed Peter McPherson, Administrator of the Agency for International Development, as his personal representative for U.S. disaster assistance to Lebanon. Mr. McPherson is reviewing the U.S. Lebanon relief efforts with the Secretary-General of the United Nations, Javier Perez de Cuellar, this afternoon in New York.

Statement on the Extension of United States Sanctions on the Export of Oil and Gas Equipment to the Soviet Union

June 18, 1982

I have reviewed the sanctions on the export of oil and gas equipment to the Soviet Union imposed on December 30, 1981, and have decided to extend these sanctions through adoption of new regulations to include equipment produced by subsidiaries of U.S. companies abroad, as well as equipment produced abroad under licenses issued by U.S. companies.

The objective of the United States in imposing the sanctions has been and continues to be to advance reconciliation in Poland. Since December 30, 1981, little has changed concerning the situation in Poland; there has been no movement that would enable us to undertake positive, reciprocal measures.

The decision taken today will, we believe, advance our objective of reconciliation in Poland.

Proclamation 4948—Baltic Freedom Day

June 14, 1982

By the President of the United States of America

A Proclamation

The independence of Lithuania, Latvia, and Estonia was extinguished in 1939 as a result of a nefarious deal struck between the Soviet Union and Nazi Germany. Hitler handed Stalin the three Baltic republics as a bonus to secure his cooperation in the destruction of Poland and to obtain a secure eastern frontier which enabled him to launch war against the western democracies. Subsequently, hundreds of thousands of Baltic nationals were deported to the Soviet Union where many of them perished in prisons and forced labor camps. The darkest day of that great human tragedy occurred on June 14, 1941, when their homes and jobs were taken by Russian settlers.

Today, some of the survivors of these mass deportations are citizens of the United States. Their aspirations for a better future for the peoples of Estonia, Latvia, and Lithuania have helped to bring new meaning to our nation's commitment to freedom for all people. The United States has never, over the intervening forty-one years, recognized the forcible incorporation of the Baltic States into the Soviet Union.

As a nation, we remain dedicated to the furtherance and preservation of the fundamental human rights and freedoms of all people and take note on this special day of our hope that the blessings of liberty will one day be part of the national life of the courageous people of Estonia, Latvia, and Lithuania.

The Congress of the United States by Senate Joint Resolution 201 has authorized and requested the President to proclaim June 14 as Baltic Freedom Day.

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby designate June 14, 1982, as Baltic Freedom Day. I call upon the people of the United States to reaffirm their belief and hope that the citizens of Latvia, Lithuania, and Estonia and of all nations will one day achieve through peaceful means the goals of democratic freedom and self-determination.

In Witness whereof, I have hereunto set my hand this 14th day of June, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[Filed with the Office of the Federal Register, 4:44 p.m., June 18, 1982]

Note: The text of the proclamation was released by the Office of the Press Secretary on June 19.

Remarks of the President and Prime Minister Menachem Begin of Israel Following Their Meetings

June 21, 1982

The President. It's been worthwhile to have Prime Minister Begin at the White House again.

All of us share a common understanding of the need to bring peace and security to the Middle East. Today, we've had an opportunity to exchange views on how this cause can be advanced. On Lebanon, it's clear that we and Israel both seek an end to the violence there and a sovereign, independent Lebanon under the authority of a strong, central government.

We agree that Israel must not be subjected to violence from the north, and the United States will continue to work to achieve these goals and to secure the withdrawal of all foreign forces from Lebanon.

And, now, our guest, Prime Minister Begin.

The Prime Minister. Thank you, Mr. President.

Mr. President, ladies and gentlemen, good afternoon. I'm deeply grateful to my friend, the President of the United States, for his invitation to come to visit with him again, after my first visit in September 1981, in the White House and hold a discussion, a very fruitful discussion with the President and his advisers.

Everybody of you knows that we face now a situation in the Middle East which calls for activity, great attention, and understanding. I have read in some newspapers in this great country that Israel invaded Lebanon. This is a misnomer. Israel did not invade any country. You do invade a land when you want to conquer it or to annex it or, at least, to conquer part of it. We don't covet even 1 inch of Lebanese territory. And, willingly, we will withdraw our troops, all of our troops, and bring them back home as soon as possible. "As soon as possible" means as soon as arrangements are made that never again will our citizens—men, women, and children—be attacked, maimed, and killed by armed bands operating from Lebanon, and armed and supported by the Soviet Union and its satellites.

There is hope to believe that such arrangements will be made and that all foreign forces, without exception, will be withdrawn from Lebanon, and there will be an independent, free Lebanon based on its territorial integrity. And the day is near that such a Lebanon and Israel will sign a peace treaty and live in peace forever.

Thank you.

Note: The President spoke at 1:56 p.m. to reporters assembled on the South Grounds of the White House. Earlier, the President and the Prime Minister met privately in the Oval Office and then together with United States and Israeli officials, before having lunch in the Residence.

Remarks at the Swearing-In Ceremony for Gen. John W. Vessey, Jr., as Chairman of the Joint Chiefs of Staff

June 21, 1982

Well, first, let me congratulate General Vessey, our nation's new and 10th Chairman—I should have said "10th" and not just "new"—10th Chairman of the Joint Chiefs of Staff. And he's a "10" all right. [*Laughter*] When I announced General Vessey's appointment last March, I referred to him as a soldier's soldier. That characterization was on the mark, but it was also something of an understatement.

After being called to active duty in 1941, Jack Vessey received a battlefield commission at the Anzio beachhead in 1944. He commanded forces in the United States and Europe, Korea, Thailand, and Vietnam. And still, given the way things are in this town, I have a feeling his new assignment will be the most hair-raising of them all. [*Laughter*] General, with all the flak you'll be getting, it might be a good idea to start wearing a helmet again. [*Laughter*] But our new man possesses that unique blend of the seasoned combat leader and the perceptive strategist, a blend that makes him a true soldier-statesman and worthy of the title Chairman of the Joint Chiefs of Staff.

General Vessey, in selecting a man of your caliber we also honor your profession and all those with whom you serve. And perhaps this is a good time to recognize General Bolte, who was your Division Commander in Italy during World War II and who is here. General, it's nice to have you here. General Bolte, thank you for turning out such a fine soldier as Jack Vessey.

In my speech at the United Nations last Thursday, I reminded the world of the words of a former Army Chief of Staff, Dwight Eisenhower, who said that "our foreign policy is not difficult to state. We are for peace first, last, and always. . . ." The truth of those words can't be challenged, but it's especially fitting for a former soldier to have said them. No one wants peace more than the soldier, for the soldier understands better than anyone the pain and destruction of war. And I know that General Vessey must carry inside him the sorrows of buddies lost on foreign fields and the memories of young men under his command who never returned home.

But as the general would tell you, peace cannot be secured by words or hopes alone. The United States has a dual approach to international stability. On the one hand, we're committed to strengthening our defense readiness and military capabilities. At the same time, we also hope to enhance our security through negotiations on intermediate-range missiles, on strategic nuclear weapons, on the prevention of accidental war, and on conventional force reductions. And I'm proud of that agenda for peace.

General Vessey, as my principal military adviser I'll look to you and the other members of the Joint Chiefs for counsel on how best to achieve our unselfish goals. But my additional command to you is, keep us strong, keep us ready, so that we may keep the peace. Good luck, and congratulations.

And I shall now turn you over to the Secretary.

Note: The President spoke at 3:35 p.m. at the ceremony in the Rose Garden at the White House. Following his remarks, Secretary of Defense Caspar W. Weinberger administered the oath of office to General Vessey.

Message to the Congress Transmitting an Exchange of Diplomatic Notes on Extension of the United States-Poland Fishery Agreement

June 21, 1982

To the Congress of the United States:

In accordance with the Magnuson Fishery Conservation and Management Act of 1976 (Public Law 94–265; 16 USC 1801), I transmit herewith an exchange of Diplomatic Notes, together with the present agreement, extending the governing international fishery agreement between the United States and Poland, signed at Washington on August 2, 1976, until July 1, 1983. The exchange of notes together with the present agreement constitute a governing international fishery agreement within the requirements of Section 201(c) of the Act.

I urge that the Congress give favorable consideration to this extension at an early date. Several U.S. fishing interests have urged prompt consideration of this agreement, and I therefore recommend that the Congress consider issuance of a joint resolution to bring this agreement into force before the agreement expires on July 1, 1982.

RONALD REAGAN

The White House,
June 21, 1982.

Appointment of Thelma Duggin as Special Assistant to the President and Director of the 50 States Project for Women

June 21, 1982

The President today announced the appointment of Thelma Duggin as Special Assistant to the President and Director of the 50 States Project for Women. Ms. Duggin will continue to serve in the White House Office of Public Liaison under the direction of Elizabeth Hanford Dole, Assistant to the President for Public Liaison.

The 50 States Project reflects President Reagan's campaign commitment with the 50 Governors in an effort to identify and correct State laws which discriminate against women. The groundwork for the program was begun in May 1981 with a Presidential letter to the Governors seeking their assistance in identifying and correcting discriminatory State laws. In October 1981, the Governors' representatives met at the White House to exchange information and promote cooperation between the States. In her new capacity, Ms. Duggin will work to carry out the project in all 50 States.

Since April of 1981, Ms. Duggin has been serving as Deputy Special Assistant in the Office of Public Liaison. Her responsibilities include outreach to the black community and youth organizations. Before joining the White House staff, she served as a field coordinator with Wright McNeill and Associates, which directed the Black Community Involvement program for the Republican National Committee.

Ms. Duggin, 32, is a native of Mobile, Ala., and holds a degree in education from Edgewood College in Madison, Wis.

Message to the Senate Transmitting the Convention for the Conservation of Salmon in the North Atlantic Ocean

June 22, 1982

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the Convention for the Conservation of Salmon in the North Atlantic Ocean which has been signed by the United States, European Community, Iceland, Norway and Canada. It will enter into force following ratification by not less than four Contracting Parties of which one must be the United States. Also transmitted for the information of the Senate is the report of the Department of State with respect to the Treaty.

Work on this Convention was initiated in 1978 by the United States to develop a new organization to address Atlantic salmon conservation, restoration and management issues through international cooperation. The Convention will provide an effective forum for salmon producing states and salmon harvesting states to work together cooperatively in solving critical salmon conservation and management problems in the Atlantic region. It will focus attention on worldwide Atlantic salmon conservation and management programs and augment current domestic and international efforts to restore these valuable resources.

I recommend that the Senate give early consideration to the Treaty and give its advice and consent to ratification.

RONALD REAGAN

The White House,
June 22, 1982.

Remarks of President Reagan and President Luis Alberto Monge Alvarez of Costa Rica Following Their Meetings

June 22, 1982

President Reagan. Well, ladies and gentlemen, I am delighted to welcome President Monge of Costa Rica.

Costa Rica is an old and valued friend of the United States. Its dramatic tradition has made that country a natural partner of the United States in the Caribbean and, in fact, in the whole hemisphere. Our meeting is in keeping with my policy of working very closely with our democratic friends in this hemisphere. And I most appreciated the President's views on his country's prospects and problems.

I personally pledge my administration's support for Costa Rica's effort at economic recovery. And I'm also deeply appreciative of the President's strong support for the Caribbean Basin Initiative and understand that he's going to make that support known to our Congress.

We discussed the prospects for democracy in the region. We noted that fair and free elections have been held this year in his own country, Costa Rica, and Colombia, where they've long been a tradition, and Honduras, El Salvador, and the Dominican Republic as well. We've also discussed the threat to this welcome development by forces of the extreme right and the extreme left, the latter aided and abetted by Nicaragua and Cuba.

We candidly assessed the inter-American system in light of the recent conflict in the South Atlantic. We agreed that the system and its ability to respond to threats to the peace must be strengthened and that this required our urgent attention.

And, finally, let me say again, it's been my great pleasure in meeting and talking with you, Mr. President. I look forward to our working together in the common problems that face us in this hemisphere, and it's a pleasure to welcome you to America.

President Monge. I've expressed my deep appreciation to President Reagan for this invitation to come here in representation of the government and the people of Costa Rica. And I pointed out in my words of appreciation to the President that this was a great indication of the sympathy and the support for Costa Rican democracy, that is, the fact that this invitation was extended to me the very day that I took office this past May 8th.

It has been my privilege to come here to reiterate and to ratify an alliance that has existed from the very early days of our country with the United States of America. And so, this small democracy without an army has always been a sincere ally of this great power called the United States of America, because we have always identified with the ideals and the conceptions of freedom of justice and for the good of all of the peoples throughout the Earth.

And so, this alliance has become a matter of great importance for our countries throughout the past, but never more than now. In this dramatic occasion, its importance is of really dramatic significance, because we are caught in a pincer now—that is, the democratic forces—between the extremes of political thinking now more than ever before. I have conveyed to President Reagan the harsh realities of our present economic and social crisis and a true information as to the fact that there is, indeed, a massive offensive on the part of totalitarian Marxism-Leninism in the area of Central America and the Caribbean.

I have repeated to President Reagan our need for solidarity and for assistance in order to enable us to overcome these economic difficulties and social problems that we are undergoing at the present time and in order to preserve in peace this democratic base which is Costa Rica.

And so, I confirm that in order to defend democracy, something that is one of my deep convictions—that in order to defend democracy, the best tool we have in this unceasing struggle is an unceasing struggle against poverty, a struggle in favor of social justice, a struggle for economic growth. And I believe that no matter how harsh or difficult the circumstances may be, that we, as I told President Reagan, feel optimistic. And I think that at the end of the day that the validity of these concepts in the conscience of our peoples will be intact, that is, these shared ideals of freedom, of justice, and of peace that have always been defended by the people of the United States and the people of Costa Rica.

Thank you very much, President Reagan, for having accepted my ratification of this alliance between tiny Costa Rica and the powerful United States for the continuation of the struggle for freedom and justice for the good of our peoples.

Note: President Reagan spoke at 12:12 p.m. to reporters assembled on the South Grounds of the White House. President Monge spoke in Spanish, and his remarks were translated by an interpreter.

The two Presidents met privately in the Oval Office at the White House and then together with United States and Costa Rican officials.

Nomination of Edward Sulzberger To Be a Member of the Board of Directors of the National Corporation for Housing Partnerships

June 22, 1982

The President today announced his intention to nominate Edward Sulzberger to be a member of the Board of Directors of the National Corporation for Housing Partnerships for the term expiring October 27, 1983. He would succeed Patricia K. Ritter.

Mr. Sulzberger is currently serving as president of Sulzberger-Rolfe, Inc., in New York City. He is also president of the Association for Government Assisted Housing. He has been the president of the Metropolitan Fair Rent Committee since 1962. He is a member of the National Association of Real Estate Boards, Real Estate Board of New York, and the International Federation of Real Estate Agents. He is a member of the board of directors of the Realty Foundation of New York and the Realty Advisory Board on Labor Relations.

He graduated from Brown University (B.A., 1929). He is married, has one child, and resides in New York, N.Y. He was born November 30, 1907.

Appointment of Charles Jarvis Meyers as a Member of the President's Intelligence Oversight Board
June 22, 1982

The President today announced his intention to appoint Charles Jarvis Meyers to be a member of the President's Intelligence Oversight Board. This is a new position.

Mr. Meyers is a partner in the firm of Gibson, Dunn & Crutcher in Denver, Colo. He was dean at Stanford University in 1976–1981 and served as professor of law in 1962–1981 at Stanford. He was associate, then full professor of law at Columbia University in 1954–1962. He was assistant, then associate professor of law at the University of Texas in 1949–1954.

He graduated from Rice University (B.A., 1949), the University of Texas (LL.B., 1949), and Columbia University (LL.M., J.S.D., 1953, 1964). He is married, has two children, and resides in Denver, Colo. He was born August 7, 1925.

Letter to the Speaker of the House and the President of the Senate Transmitting Proposed Legislation on Federal Income Tax Credit for Nonpublic School Tuition
June 22, 1982

Dear Mr. Speaker: (Dear Mr. President:)

I am herewith transmitting to the House of Representatives (Senate) proposed legislation entitled "The Educational Opportunity and Equity Act of 1982." This bill would provide for increased diversity in educational opportunity by providing tax relief for parents who choose to send their children to nonpublic schools.

Diversity in educational opportunity has been one of the great strengths of our nation. It is a foundation of our pluralistic society and essential to a nation which places a high value on individual freedom.

We are justly proud of our public schools, which now offer a free education through the primary and secondary school levels to all American children willing to take advantage of it. At the same time, we must remember the important role that has been played since the beginning of our nation by the diverse nonpublic schools which also offer an education to American children. Now, as they did prior to the establishment of our public school system, parents cherish their ability to choose from a wide range of educational opportunities for their children. It is of great importance to the continued vitality of our society that parents have a meaningful choice between public education and the many forms of private education that are available.

It is also important that there be innovation and experimentation in education. The existence of many private, as well as public, schools assures that new and possibly more effective teaching approaches will not go untested. It is also important that the differing needs and demands of students and their parents be met. Parents who, for whatever reason, are not satisfied by the education available in their local public schools should be able to seek an education better suited to their children elsewhere. Furthermore, the existence of a viable private alternative should maintain a healthy pressure on public education authorities to maintain educational standards and meet student needs.

As we are all aware, the cost of education, both public and private, has risen dramatically in recent years. We all bear the burden of the rising costs of public education through state and local taxation, directly or indirectly. But those parents who wish their children to attend nonpublic schools must also bear the additional burden of paying private-school tuition. This additional cost has always severely limited the ability of lower-income families to choose the nonpublic educational alternative for their children. Rising costs are now putting private schools beyond the reach of a growing number of middle-income Americans as well. If we are to provide a meaningful choice to those who have not had it in the past, and preserve a choice for those for whom it is in danger of becoming an illusion, we must find a way to lighten the "double burden" these families bear.

We must also bear in mind that private schools do more than offer alternative educational choices to students and their parents. Nonpublic schools also carry a significant part of the burden of providing primary and secondary school education in this country. If it becomes financially impossible for many of the families now sending their children to nonpublic schools to continue to do so, the resulting increase in public school attendance will place large and unwelcome new tax burdens on state and local taxpayers. The cost to taxpayers of offering some tax relief to parents, so that they can afford to keep their children in the private schools of their choice, is modest compared to the cost of educating their children in the public schools.

Thus, in order to promote diversity in education and the freedom of individuals to take advantage of it, and to nurture the pluralism in American society which this diversity fosters, I am transmitting to Congress today a draft bill which provides federal tax credits for the tuition expenses of children attending nonpublic primary or secondary schools. Starting in 1983, the Education Opportunity and Equity Act of 1982, if enacted, would allow a tax credit for the tuition expenses of each student attending a private, nonprofit primary or secondary school. By 1985, when this new tuition tax credit would be fully phased in, a credit equal to 50 percent of tuition expenses paid during the year, but not to exceed $500, would be allowed for each student.

While it would be desirable for the reasons I have already mentioned to extend such tax relief for higher education tuition expenses as well, the large losses in federal tax revenues which would result make it impossible to recommend such legislation at this time. Today's proposal makes an important start by providing this relief where it is most necessary.

Sincerely,

RONALD REAGAN

Note: This is the text of identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and George Bush, President of the Senate.

Remarks on Signing the Intelligence Identities Protection Act of 1982

June 23, 1982

Director Bill and Members of the Congress, distinguished guests who are here, and you ladies and gentlemen, all distinguished:

I bring you greetings from a former Director of this Agency, Vice President George Bush, who couldn't be here with us this morning. And I want to give him credit, because I'm going to tell a story of his. And it's always dangerous telling a trade joke to members of the trade, because the chances are too good that they've heard it. But I'm going to take the chance anyway. It's one of the few stories that I can tell now since ethnic jokes are a no-no. This one is an Irish joke, and my name is Reagan, so I can tell the story. [*Laughter*] But it has to do something with the occasion and with your line of work.

And the story is that there was an agent overseas and happened to be in Ireland. And there was an emergency, and it was necessary to contact him immediately. So, they called in another agent, and they said, "Now, you'll go there. His name is Murphy, and your recognition will be to say, ' 'Tis a fair day, but it'll be lovelier this evening.' "

So, he went to Ireland, a little town in Ireland, into the pub, elbowed himself up to the bar, ordered a drink, and then said to the bartender, "How would I get in touch with Murphy?" And the bartender says, "Well, if it's Murphy the farmer you want, it's 2 miles down the road, and it's the farm on the left." He said, "If it's Murphy the bootmaker, he's on the second floor of the building across the street. And," he says, "my name is Murphy." So, he picked up the drink, and he said, "Well, 'tis a fair day, but it'll be lovelier this evening." "Oh," he said, "it's Murphy the spy you want. Well, he's"—[*laughter*].

When President Dwight Eisenhower came here almost 23 years ago to dedicate the cornerstone of this building here, he spoke of heroes—"heroes," he said, "who are undecorated and unsung, whose only reward was the knowledge that their service to their country was unique and indispensible."

We've got to do something about that airport.[1] [*Laughter*]

Well, today I speak again of those heros, the men and women who are locked in a dangerous, sometimes deadly conflict with the forces of totalitarianism, the men and women whose best accomplishments, whose greatest deeds can never be known to their countrymen, but only to a few of their superiors and ultimately only to history. These men and women, these heroes of a grim twilight struggle are those of you who serve here in the Central Intelligence Agency.

Whether you work in Langley or a faraway nation, whether your tasks are in operations or analysis sections, it is upon your intellect and integrity, your wit and intuition that the fate of freedom rests for millions of your countrymen and for many millions more all around the globe. You are the trip-wire across which the forces of repression and tyranny must stumble in their quest for global domination. You, the men and women of the CIA, are the eyes and ears of the free world.

Like those who are part of any silent service, your sacrifices are sometimes unappreciated; your work is sometimes misunderstood. Because you're professionals, you understand and accept this. But because you're human and because you deal daily in the dangers that confront this nation, you must sometimes question whether some of your countrymen appreciate the value of your accomplishments, the sacrifices you make, the dangers you confront, the importance of the warnings that you issue.

And that's why I have come here today; first, to sign an important piece of legislation that bears directly on your work, an act of Congress whose overwhelming passsage by the representatives of the American people is a symbol of their support for the job that you do every day. But even more than this, I've come here today to say to you what the vast majority of Americans would say if they had this opportunity to stand here before you. We're grateful to you. We thank you. We're proud of you.

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[1] *The President was referring to the noise of an airplane taking off from National Airport.*

The bill I'm about to sign is one that has received from both Houses of Congress the most careful attention and serious debate. And I would be remiss if I didn't cite for the public record the names of those who were instrumental in its passage. This effort actually began several years ago. In the 97th Congress, the chairmen of the Senate and House Committees on Intelligence, Senator Barry Goldwater and Representative Edward Boland, worked diligently for its passage. So too did many Members of the House and Senate, Republicans and Democrats alike, some of whom are here with us today.

I especially want to state my deepest admiration for Senator John Chafee, whose outstanding leadership guided this bill through the Senate. And as always, Howard Baker must be thanked for his leadership, which I have come to admire very much. And finally, I only wish that the late Representative John Ashbrook, who took the lead on the House floor, could be with us here to witness this signing. The Intelligence Identities Protection Act is his legislative monument.

As I've said, the enactment of the Intelligence Identities Protection Act is clear evidence of the value this nation places on its intelligence agencies and their personnel. It's a vote of confidence in you by the American people through their elected representatives. It's also a tribute to the strength of our democracy.

The Congress has carefully drafted this bill so that it focuses only on those who would transgress the bounds of decency; not those who would exercise their legitimate right of dissent. This carefully drawn act recognizes that the revelation of the names of secret agents adds nothing to legitimate public debate over intelligence policy. It is also a signal to the world that while we in this democratic nation remain tolerant and flexible, we also retain our good sense and our resolve to protect our own security and that of the brave men and women who serve us in difficult and dangerous intelligence assignments.

During the debate over this bill, some have suggested that our focus should be not on protecting our own intelligence agencies, but on the real or imagined abuses of the past. Well, I'm glad that counsel was rejected, for the days of such abuses are behind us. The Congress now shares the responsibility of guarding against any transgression, and I have named a new Intelligence Oversight Board and Foreign Intelligence Advisory Board to assist me in ensuring that the rule of law is maintained in areas which must remain secret and out of the normal realm of public scrutiny.

Beyond this, I have full confidence that you'll do your job vigorously and imaginatively while making sure that your activity is lawful, constitutional, and in keeping with the traditions of our way of life. And while you're at your job and while I'm President and while these Congressmen stand at watch, we'll work together to see to it that this powerful tool of government is used to advance, not abuse, the rights of free people.

Today, after nearly a decade of neglect and sometimes overzealous criticism, our intelligence agencies are being rebuilt. This is altogether in keeping with the American tradition. Such activities have been crucial to our survival as a nation. The sacrifice of Nathan Hale, whose statue stands near here, is a national legend. And in our own time, the valiant performance of our intelligence agencies at crucial battles like Midway and Normandy is a matter of historical record. It is out of this valiant service during World War II that your agency was born.

As some of you perhaps know, it was in 1943 that General Bill Donovan decided to penetrate the Third Reich with secret agents. He did so against the advice of our more experienced allies, who said it was an impossible task. It was only 35 years later that the story of those efforts were fully brought to light in a book called "The Piercing of the Reich," by Joseph Persico.

I thought you'd be interested to know

that the young New York lawyer who was given the job of penetrating Nazi Germany was described in this book as "a man with boundless energy and confidence, a man with an analytical mind, tenacious will, and a capacity to generate high morale among his staff. He delegated authority easily to trusted subordinates and set a simple standard: results."

As some of you know by now, the name of that young lawyer who performed the impossible task of putting 103 missions into Germany is William Casey, and he is now your DCI. He's a close friend to whom I owe a great personal debt, and I know that debt grows greater every day with the job that you and he are doing together.

I'm familiar with the important changes that have been made in CIA analysis and operations under Bill's leadership, and I know that together you're writing another important and inspiring chapter in the history of those who've worked in America's intelligence agencies. We'll need this kind of excellence from you, for the challenges in the months and years ahead will be great ones.

As some of you may know, I've spoken recently about the fading appeal of totalitarianism and about the internal decay of the Soviet experiment. And some have asked in response why I place such an emphasis on the strength of our military and of intelligence agencies if indeed it is our adversaries who are approaching the point of exhaustion. Well, the answer to that is not difficult. History shows that it is precisely when totalitarian regimes begin to decay from within, it is precisely when they feel the first real stirrings of domestic unrest, that they seek to reassure their own people of their vast and unchallengeable power through imperialistic expansion or foreign adventure.

So, the era ahead of us is one that will see grave challenges and be fraught with danger, yet it's one that I firmly believe will end in the triumph of the civilized world and the supremacy of its beliefs in individual liberty, representative government, and the rule of law under God.

And that's why we must now summon all the nations of the world to a crusade for freedom and a global campaign for the rights of the individual, and you are in the forefront of this campaign. You must be the cutting edge of freedom in peace and war, and in the shadowy world in between, you must serve in silence and carry your special burden. But let me assure you, you're on the winning side, and your service is one which free men will thank you and future generations honor you.

It's with special pride, then, that I now sign this piece of legislation into law. Thank you, and God bless you.

[*At this point, the President signed the bill.*]

It's law.

Note: The President spoke at 11:32 a.m. outside the Central Intelligence Agency headquarters building in Langley, Va. Prior to his remarks, he was given a tour of the building, at which time he spoke to a small group of CIA employees.

As enacted, H.R. 4 is Public Law 97–200, approved June 23.

Message to the Congress Reporting a Budget Rescission and Deferral

June 23, 1982

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report a proposal to rescind $8 million in budget authority previously provided to the Office of the Federal Inspector of the Alaska Natural Gas Transportation System. In addition, I am reporting a new deferral of $3.6 million in funds appropriated to the Office of the Solicitor and Office of the Secretary of the Department of the Interior.

The details of the rescission proposal and deferral are contained in the attached report.

RONALD REAGAN

The White House,
June 23, 1982.

Note: The attachments detailing the proposed rescission and deferral are printed in the Federal Register *of July 1, 1982.*

Nomination of Robert G. Dederick To Be an Under Secretary of Commerce

June 23, 1982

The President today announced his intention to nominate Robert G. Dederick to be Under Secretary of Commerce for Economic Affairs. This is a new position.

He is presently serving as Assistant Secretary of Commerce for Economic Affairs. He was with the Northern Trust Co. in 1964–1981, serving as senior vice president and chief economist in 1970–1981. He was with New England Mutual Life Insurance Co. in 1957–1964.

He graduated from Harvard University (A.B., A.M., Ph. D.). He is married, has three children, and resides in Hinsdale, Ill. He was born November 18, 1929.

Nomination of Bevis Longstreth To Be a Member of the Securities and Exchange Commission

June 23, 1982

The President today announced his intention to nominate Bevis Longstreth to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1984. He would succeed Philip A. Loomis, Jr.

Mr. Longstreth has been serving as Commissioner of the Securities and Exchange Commission since 1981. He practiced law with the firm of Debevoise, Plimpton, Lyons and Gates in 1962–1981 and was admitted to partnership in that firm in 1970. He served as secretary on the Special Committee on Science and Law of the Association of the Bar of the City of New York in 1962–1967. He has been a lecturer at Columbia Law School since 1975.

He graduated from Princeton University (B.S.E., 1956) and Harvard Law School (LL.B., 1961). He is married, has three children, and resides in New York, N.Y. He was born January 29, 1934.

Statement on Congressional Approval of the Fiscal Year 1983 Federal Budget Resolution

June 23, 1982

Today I congratulate the responsible Members of the House and Senate who resisted intense political pressure to give the American people what they have waited many months to receive: a bipartisan recovery budget that recommits this government to a clear course toward lower growth of spending, steadily declining deficits, and eventually, the ability to live again within our means.

Passage of this bipartisan budget resolution is a clear repudiation of those who said the Congress could not and would not act responsibly in an election year. It is a victory for the common sense and quiet courage of America's finest legislators—Republican and Democrat—who refused to take the low road and return to the discredited, quick-fix policies of the past.

The Congress has now sent an important signal to America's markets and to the world. By voting to reduce projected deficits over the next 3 years by more than $375 billion, the first important hurdle blocking our path to lower interest rates has been cleared.

But let there be no misunderstanding: Even steeper hurdles remain. The Congress must follow through with tough implementing actions to make the budgetary commitment meaningful and actually control government spending.

We have come too far and worked too hard in correcting the mistakes of the past to turn back now. The American people expect us to work together for lasting economic recovery. We must not betray their trust.

Remarks of the President and Prime Minister Margaret Thatcher of the United Kingdom Following Their Meeting

June 23, 1982

The President. Well, it's been good to welcome the Prime Minister to Washington, even if for only an afternoon's visit.

I was delighted that we could continue our conversations from Paris, London, and Bonn on the whole host of issues where our cooperation is so close. In that connection, incidentally, I note that we have now met four times in this month in as many cities. It's customary when two political figures get together to describe their talks as far-ranging. But in our case, that statement is both figuratively and literally true. I'm going to have to check the history books, but four separate meetings in four different places in less than 4 weeks may well be unprecedented in our bilateral relations.

Seriously, I did have, as I always do, an exceptionally useful discussion with the Prime Minister which covered a number of critical issues. The fighting in the South Atlantic has stopped since we last met. We believe that a fundamental principle of international society—that force not be used to settle disputes—was at stake in that conflict. We also discussed other issues, including a number of economic questions, the future of East-West relations and the crucial role played by the events in Poland. We share the commitment to arms control negotiations with the Soviet Union.

And we also agree that the work accomplished at the two summit meetings in which we participated earlier this month, Versailles and Bonn, demonstrated anew the vitality and cohesion of the Western democracies. Clearly, there's much more in our free and pluralistic societies that unites us than divides us, and that's our major strength when we face a determined and totalitarian adversary.

With respect to the tragic situation in the Middle East, we consulted about what we could do to promote a lasting and just peace in that region that's so important to us—especially in Lebanon and to bring an end to the human suffering there.

The Prime Minister has come to us at a particularly auspicious moment—the birth of an heir to the throne of the United Kingdom. And we have every hope that she will carry back to London our fondest good wishes, those of the American people, Nancy and myself, to their Royal Highnesses the Prince and Princess of Wales, and to their little son.

And so, we're most grateful to you for making the extra effort to come down here and see us.

The Prime Minister. Thank you very much.

Mr. President—can I just add a few words to what the President has already said. I was very anxious to come and talk to the President so that we could get up to date with a number of things that have happened since we last met on his very highly successful visit to Europe and his particularly successful visit to Britain.

As he pointed out, since then, the fighting in the Falkland Islands has been concluded, which was a tremendous relief to us all. And we hope that things will steadily continue to improve there. We also discussed matters such as Lebanon, where there is a great tragedy taking place, which is of concern to us all. And naturally, of course, we discussed East-West matters and a number of economic things.

I've just noticed today that in some of the questions I have been asked by some of you ladies and gentlemen and some others there's often been a little bit of an attempt to try to indicate some differences either between the United States and Britain or some sort of attempt to divide us on some things. I can only report to you that those attempts will never succeed, because we can't be divided. Our relationship and the alliance is far too staunch and far too deep for that.

I'm just very grateful, too, for what the President said about the new royal birth. It does indicate the great continuity that there is in Britain, the tremendous patriotism which one gets in almost all countries, but it's a patriotism in a way of the kind we have here in the States as well; not only love of your country because you belong to it but because it stands for certain things, and it's those that makes you patriotic. I will, of course, take back your very warm message to our people, and I'm certain they'll be delighted with your good wishes.

Now, I think, ladies and gentlemen, that I'm due to be cross-examined by a number of you elsewhere. I look forward to that, and I hope you do, too.

And thank you, Mr. President, for your warm hospitality and for the opportunity of talking to you.

Reporter. Mr. President, sir, do we still support negotiations in the South Atlantic dispute as provided for in U.N. Resolution 502?

The President. This is a photo opportunity, Sam [Sam Donaldson, ABC News]—fall back on that. I think that we have—we've made our position plain and clear on what we've tried to do there——

The Prime Minister. We're very grateful to the President for everything they've done to help.

Thank you very much. Thank you.

The President. Thank you.

Note: The President spoke at 6 p.m. to reporters assembled on the South Grounds of the White House. The President and the Prime Minister met in the Oval Office.

Proclamation 4949—Citizenship Day and Constitution Week, 1982
June 24, 1982

By the President of the United States of America

A Proclamation

Chief Justice John Marshall wrote, "the people make the Constitution, and the people can unmake it. It is the creature of their own will, and lives only by their will." It is appropriate, therefore, that we set aside September 17, 1982, the 195th anniversary of the Constitution, to celebrate Citizenship Day and to begin Constitution Week.

The Constitution provides the structure of our federal system and a system of checks and balances that applies equally to each branch of government, to relations between the states and the Federal Government, and, as importantly, to each of us. It protects the rights of all Americans to "life, liberty and the pursuit of happiness" and limits governmental authority to ensure these liberties are faithfully protected—both by and from the state.

But in the end it is each citizen who is responsible for protecting the liberties set forth in the Constitution and Bill of Rights. Therefore, while Citizenship Day is a day of celebration, it is also a day of remembrance and dedication. This is particularly so in view of this time in our history. Two hundred years ago, with freedom assured by victory at the Battle of Yorktown, our forefathers began the process culminating in the adoption of the Constitution on September 17, 1787.

On this day and throughout this week, we should reaffirm our commitment to this "compact" which gives "stability to the present and certainty to the future." And, as we approach the 200th anniversary of the Constitution, we must remember that an active and informed citizenry is not just a right; it is an obligation.

In recognition of the place the Constitution holds in our Nation, and the paramount role our citizens play in maintaining the United States, the Congress, by joint resolution on February 29, 1952 (36 U.S.C. 153), designated September 17th as Citizenship Day, and by joint resolution of August 2, 1956 (36 U.S.C. 159), requested the President to proclaim the week beginning September 17th and ending September 23rd of each year as Constitution Week.

Now, Therefore, I, Ronald Reagan, President of the United States of America, call upon appropriate Government officials to display the flag of the United States on all Government buildings on Citizenship Day, September 17, 1982. I urge Federal, State and local officials, as well as leaders of civic, educational and religious organizations to conduct ceremonies and programs that day to commemorate the occasion.

I also proclaim the week beginning September 17th, 1982 as Constitution Week, and I urge all Americans to observe that week with programs that stress the importance of the Constitution to our individual freedoms and form of government. I call upon all citizens to join in studying the events and documents surrounding the adoption of our Constitution in 1787 so that its bicentennial may be celebrated with renewed learning of the history and purpose of this Charter of Freedom.

In Witness Whereof, I have hereunto set my hand this 23rd day of June, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 10:48 a.m., June 24, 1982*]

Remarks on Signing Executive Order 12368, Concerning Federal Drug Abuse Policy Functions

June 24, 1982

I want to thank Carlton Turner, the Vice President and Nancy and these ladies and gentleman who are gathered here in front today, because they're all very much a part of the effort in fighting drug abuse. And I know what they're up against. I'm also aware of the good job that they've all been doing recently. So, one reason that they're here is so I can tip my hat to them.

All of us here know the situation is not hopeless. I was not present at the Battle of Verdun in World War I, but from that battle I learned of that horrendous time of an old French soldier who said something we could all heed. He said, "There are no impossible situations. There are only people who think they're impossible."

It's a matter in this drug abuse of getting out and doing something about a problem that for too long has been mainly discussed and debated. And I have heard from Nancy—and I'm very proud of what she's been doing—with regard to the various parent groups that have sprung up throughout the country, in visiting and learning there of their efforts and the success that they've had with regard to young people. And she's told me how effective education and prevention can be, and I know that she's going to continue in those efforts as all the others are.

On another front, the South Florida Task Force, under the guidance of the Vice President, will keep the pressure on that part of the country most vulnerable to drug smuggling.

And while I'm at it, I'd like to commend the cooperative efforts of law enforcement and health agencies at all levels which have been fighting a long, hard battle against the drug problem. And I also heartily applaud the education and prevention efforts, as I said before, of the parents' movement.

So, I asked all these people to get together here today—as they probably haven't gathered in a group before—to deal with the drug problem facing this nation. As in other areas of this administration, I want to seek new approaches. I want to get away from the fatalistic attitude of the late seventies and assert a positive approach that involves as many elements of this society as possible—State and local officials, volunteer groups, parents, teachers, students, independent agencies, and law enforcement officials. I know that you who are here with us today have already laid the groundwork for this, and I'd like to ask you to report back to Dr. Turner within 2 weeks with what suggestions you may have for continuing and for our strategy.

Now, today I'm signing an Executive order naming Carlton Turner, Director of the Drug Abuse Policy Office, as the person responsible for overseeing all domestic and international drug functions. He'll head the new campaign against drug abuse.

Drugs already reach deeply into our social structure, so we must mobilize all our forces to stop the flow of drugs into this country, to let kids know the truth, to erase the false glamour that surrounds drugs, and to brand drugs such as marijuana exactly for what they are—dangerous, and particularly to school-age youth.

We can put drug abuse on the run through stronger law enforcement, through cooperation with other nations to stop the trafficking, and by calling on the tremendous volunteer resources of parents, teachers, civic and religious leaders, and State and local officials.

We're rejecting the helpless attitude that drug use is so rampant that we're defenseless to do anything about it. We're taking down the surrender flag that has flown over so many drug efforts; we're running up a battle flag. We can fight the drug problem, and we can win. And that is exactly what we intend to do. And I, therefore, am now going to sign the order.

[*The President signed the Executive order.*]

Thank you all again.

Note: The President spoke at 11:16 a.m. at *the signing ceremony in the Rose Garden at the White House. Earlier, he had met in the Roosevelt Room with the heads or representatives of 18 Federal departments and agencies with responsibilities in the areas of drug abuse, law enforcement, and health-related aspects of drug use.*

Executive Order 12368—Drug Abuse Policy Functions
June 24, 1982

By the authority vested in me as President by the Constitution and laws of the United States of America, including Section 202 of the Drug Abuse Prevention, Treatment, and Rehabilitation Act, as amended (21 U.S.C. 1112), and in order to clarify the performance of drug abuse policy functions within the Executive Office of the President, it is hereby ordered as follows:

Section 1. The Office of Policy Development has been assigned to assist the President in the performance of the drug abuse policy functions contained in Section 201 of Title II of the Drug Abuse Prevention, Treatment, and Rehabilitation Act, as amended (21 U.S.C. 1111). Within the Office of Policy Development, the Director of the Drug Abuse Policy Office shall be primarily responsible for assisting the President in the performance of those functions.

Sec. 2. The Director of the Drug Abuse Policy Office is designated to direct all the activities under Title II of that Act, in accord with Section 202 (21 U.S.C. 1112). In particular, he shall be primarily responsible for assisting the President in formulating policy for, and in coordinating and overseeing, international as well as domestic drug abuse functions by all Executive agencies.

Sec. 3. The Director of the Drug Abuse Policy Office shall be directly responsible for the activities of a drug policy staff within the Office of Policy Development.

Sec. 4. Executive Order No. 12133 of May 9, 1979, is revoked.

RONALD REAGAN

The White House,
June 24, 1982.

[*Filed with the Office of the Federal Register, 3:38 p.m., June 24, 1982*]

Message to the House of Representatives Returning Without Approval a Fiscal Year 1982 Supplemental Appropriations Bill
June 24, 1982

To the House of Representatives:

Today I am returning to the House of Representatives, without my approval, H.R. 5922, an act providing supplemental appropriations for several Federal programs in urgent need of additional funds in Fiscal Year 1982. Unfortunately, in addition to providing the urgent supplemental appropriations requested by the Administration, the Congress has added other unrequested, non-urgent funds that would increase the 1983 deficit by $1.3 billion and would add at least $5 billion to Federal spending in the next few years. The bill also establishes a housing subsidy program that sets a bad precedent for other Federal programs. For these reasons, I cannot approve this legislation. I urge the Congress to act quickly to send me a clean bill for signature containing only those items urgently needed to continue 1982 activities.

I share the heartfelt Congressional concerns about the particular problems confronting the housing industry. But we will not promote a housing recovery by going even deeper in debt. More red ink spending will only make the housing recession worse.

It is my belief this bill will do little to increase construction of new housing; most of the aid will go for homes that would be built and purchased anyway. The bill does not increase available financing, but shifts funds to housing that would otherwise be used by, and create jobs in, other sectors of the economy. My concern also is that the bill would add to the Federal deficit and generate upward pressures on interest rates—aggravating the very situation it seeks to help.

Furthermore, we cannot justify singling out one industry for special relief. The recession and high interest rates have created hardship and unemployment for farmers, small businesses, the thrift industry, automobile manufacturers and dealers and many others. This Government must convince a skeptical country—the business community, taxpayers, investors and workers—that lasting recovery is a fundamental commitment that will not be derailed by a return to excessive Federal spending and borrowing.

My Administration has taken a number of steps to remove tax, regulatory and administrative burdens on housing finance and construction. We have proposed legislation to extend Federal Housing Administration insurance to a number of innovative mortgage financing instruments to encourage private market use of these flexible instruments. We have removed regulatory restrictions limiting the use of pension funds in mortgage credit markets. We have provided an additional $3.4 billion of subsidized housing funds in 1982 to allow up to 70,000 additional units of new rental housing for low income households to begin construction this summer. We are revising our regulations on the use of tax exempt financing for housing to allow states and localities to use this financing vehicle to the full extent authorized by the Congress.

More fundamentally, we have established a long-term program designed to provide incentives and to create conditions for sustained non-inflationary economic recovery. That recovery is getting underway. Housing permits have risen in six of the last seven months and are now 31 percent above their October low. Housing starts rose by 22 percent in May and are 27 percent above their October low. The key to sustaining this upturn is lower interest rates. This, in turn, depends on public confidence that the Congress will control Federal spending and reduce Federal deficits—thus leaving an adequate supply of funds for housing and business investment.

In addition to the housing proposal, there are several other provisions in this act that I urge the Congress to delete. The urgent supplemental legislation is the first significant spending measure in this session of Congress. It is essential that this act be a clear example of the willingness of the Congress to join with me in holding the line and establishing meaningful control over all Federal spending programs. I must ask that supplemental appropriations in excess of the proposals I have indicated to be urgent requests be pared back to the maximum extent feasible. Some of these unrequested supplemental funds include:

—$150 million for the GNMA special assistance function ("tandem") program;
—$62 million for the postal service;
—$58 million for the WIN program; and
—other unrequested funds for Federal aid to highways, flood control programs of the Corps of Engineers, and a number of smaller HHS programs.

The bill also includes several undesirable language provisions restricting, in varying degrees, the Executive Branch from exercising its authority to allocate funds appropriated by Congress. The most notable among these are:

—language mandating the modernization of 5,073 public housing units, extending the time period for completion of the construction of certain HUD subsidized housing projects to 24 months, and precluding HUD from applying cost containment procedures to such projects;
—language mandating minimum spending levels for certain NASA programs that will severely disrupt two important scientific missions and lead to the waste of more than $150 million; and
—language mandating new construction on starts for the Soil Conservation Service.

Therefore, I am returning H.R. 5922 without approval and urge the Congress to enact immediately a 1982 supplemental appropriations bill that addresses only those items I have indicated need urgent attention and excludes these objectionable additions. I look forward to prompt Congressional action on a revised bill which will assure continuity in the operations of Federal agencies and be consistent with continued progress toward economic recovery.

RONALD REAGAN

The White House,
June 24, 1982.

Note: On the same day, the House of Representatives reconsidered H.R. 5922, and the President's veto was sustained.

Statement on Signing a Bill Authorizing Construction of the Smithsonian Institution Center for Non-Western Cultures
June 24, 1982

I have signed into law today H.R. 5659, an act authorizing the Smithsonian Institution to construct a building, the primary focus of which will be a center for African, Near Eastern, and Asian cultures, in the Quadrangle just south of the Institution's red sandstone "castle" on the National Mall.

The central purpose of the Smithsonian Institution is to provide knowledge, and through that knowledge, understanding. "The increase and diffusion of knowledge" among all mankind is its mandate, and in pursuing this mandate for the past 136 years Smithsonian scholars and scientists have explored and shed new light upon the universe, upon the geology and biology of our planet, upon the history and art of the United States, and upon the cultures of peoples throughout the world from the earliest times to the present.

In this panoply of knowledge and human and natural diversity, however, there is an important segment to which full justice has not been done: that vast and rich array of civilizations stretching from Japan and Korea through Southeast Asia, the Middle East, and all of Africa.

The Smithsonian's interest in these civilizations is by no means new. For many decades its archaeologists and ethnologists have worked in these areas; the Freer Gallery is one of the most important museums in America specializing in the art of the Near East and Asia; and in 1979 Congress placed responsibility for the National Museum of African Art with the Institution. At a time, however, when an understanding of non-Western cultures has assumed new urgency, it is apparent that the Smithsonian's existing facilities are inadequate to meet the need: The Freer Gallery needs more space for its programs, the National Museum of African Art needs and deserves modern facilities among the other Smithsonian museums on the Mall, and the Smithsonian as a whole needs facilities in which the achievements of all non-Western cultures can be studied, discussed, and exhibited.

The Quadrangle, a center for non-Western cultures, is the Smithsonian's response to this need. This new center will give the Institution's 25 million annual visitors (as well as those who see the Institution's traveling exhibitions in this and other countries) an understanding of the great cultural achievements of the peoples and civilizations of Africa, the Near East, and Asia. In emphasizing the rich diversity of these civilizations as well as the interrelationships of mankind, the new center will make a fundamental contribution to the global understanding upon which our future depends.

Note: As enacted, H.R. 5659 is Public Law 97–203, approved June 24.

Nomination of Rutherford M. Poats for the Rank of Minister While Serving as Chairman of the Development Assistance Committee of the Organization for Economic Cooperation and Development

June 25, 1982

The President today announced his intention to nominate Rutherford M. Poats for the rank of Minister during the tenure of his service as Chairman of the Development Assistance Committee of the Organization for Economic Cooperation and Development at Paris, France.

Mr. Poats was elected Chairman in October 1981, and has been serving since January 1982, succeeding John P. Lewis. He served in the United States Army (United States and Far East) in 1943–1946 and was Chief of Information Division of the Far East Command of the Department of Defense in Tokyo in 1946–1947. He was reporter and editor of the International News Service in Atlanta, Ga., in 1941–1942, and was with United Press as foreign correspondent in Japan, China, Korea, and Southeast Asia (1947–1951), and Tokyo bureau chief and Asia news editor in Tokyo (1951–1957). In 1957–1961, he was the diplomatic correspondent at United Press International in Washington, D.C.

He began his government career in 1961 with the Agency for International Development as Program Director and Special Assistant of the Far East Bureau. He was Deputy Assistant Administrator for Far East (1963–1964) and Assistant Administrator for Far East (1964–1967). In 1967–1970, he was Deputy Administrator and served as Acting Administrator in January–March in 1969. In 1970–1971, he was a Federal executive fellow with the Brookings Institution. He was Vice President of the Overseas Private Investment Corporation (OPIC) in 1971–1974. In the Department of State, he was Special Assistant to the Under Secretary of State for Economic Affairs (1975–1976), and Senior Adviser for Economic Affairs to the Deputy Secretary of State (1976–1977). In 1977–1978, he was Acting President (Senior Vice President) of OPIC. He was a staff member for international economics in the National Security Council at the White House in 1978–1981. In 1981 he was elected Chairman of the Development Assistance Committee in Paris.

Mr. Poats graduated from Emory University (A.B., 1943). He is the author of "Decision in Korea" (1954) and "Technology for Developing Nations" (1972). He is married and has four children. He was born August 8, 1922 in Spartanburg, S.C.

Nomination of Eli S. Jacobs To Be a Member of the General Advisory Committee of the United States Arms Control and Disarmament Agency

June 25, 1982

The President today announced his intention to nominate Eli S. Jacobs to be a member of the General Advisory Committee of the United States Arms Control and Disarmament Agency. He would succeed Thomas John Watson.

Since 1971 Mr. Jacobs has been a partner and/or executive with a group of private investment firms including the following: Jacobs and Co.; Jacobs Investment Co.;

Jacobs Corp.; Bio-Response, Inc.; Digital Recording Corp.; Lawbar Petroleum, Inc.; and Penta Investment Corp. He served as chairman of Data Science Ventures in 1968–1972 and was with White Weld & Co. in 1964–1970.

He graduated from Yale University (B.A., 1959; LL.B., 1964). He resides in Los Angeles, Calif. He was born October 5, 1937.

Message to the House of Representatives Returning Without Approval a Fiscal Year 1982 Supplemental Appropriations Bill
June 25, 1982

To the House of Representatives:

Today, I have the extremely disappointing task of again returning to the Congress, without my signature, a bill providing supplemental appropriations for several Federal programs in need of additional funds in Fiscal Year 1982. I use the word "again" because H.R. 6682, like its predecessor H.R. 5922, contains excessive and unrequested budget authority totalling nearly $1 billion. For this reason, I cannot approve this legislation.

A key to lasting economic recovery is to bring interest rates down and keep them down. We can only do that by convincing skeptical markets that this Government has the will to control Federal spending and borrowing across the board. The American people need deeds, not just promises, to be convinced deficits will be reduced.

I regret that this revised urgent supplemental still does not do the job. Therefore, I am returning H.R. 6682 without approval and urge the Congress to enact immediately a 1982 supplemental appropriations bill that addresses only those items I have indicated need urgent attention. Again, I look forward to prompt Congressional action on a revised bill that will assure continuity in the operations of Federal agencies and be consistent with continued progress toward economic recovery.

RONALD REAGAN

The White House,
June 25, 1982.

Statement on the Strategic Arms Reduction Talks
June 25, 1982

This afternoon we held the latest in a series of National Security Council meetings focused on arms control. At the conclusion of the meeting I gave final approval to the instructions the American negotiating team will carry to Geneva, where negotiations will begin next Tuesday, June 29, on Strategic Arms Reductions Talks (START).

Our team will be headed by Ambassador Edward L. Rowny, an outstanding soldier-diplomat, who has participated actively in developing the far-reaching START proposals we have made, and in which the entire world is placing so much hope.

An historic opportunity exists to reverse the massive buildup of nuclear arsenals that occurred during the last decade. We must do all we possibly can to achieve substantial *reductions* in the numbers and the destructive potential of the nuclear forces. As our proposals emphasize, we must seek especially to reduce the most destabilizing elements of the strategic arsenals. We must ensure reductions that are verifiable, that go to equal levels, and that enhance stability and deterrence and thereby reduce the risk of nuclear war.

I do not underestimate the formidable nature of this task. But I believe it is in the interest of the peoples of the United States, the Soviet Union, and the entire world to engage fully in this effort. I have the highest confidence that Ed Rowny and his team will work faithfully and tirelessly toward this goal.

Note: Earlier in the day, the President met in the Oval Office with Ambassador Rowny prior to his departure for Geneva, Switzerland.

Remarks Announcing the Resignation of Alexander M. Haig, Jr., as Secretary of State and the Nomination of George P. Shultz for the Position

June 25, 1982

Ladies and gentlemen, let me say first of all, I'm going to make an announcement—very brief. There will be no—I will take no questions on it. I understand that a press conference is scheduled next week.

It's an announcement that I make with great regret regarding a member of our administration who has served this country for 40 years, above and beyond the call of duty; who has served me so well and faithfully; whose wisdom and counsel I have respected and admired for all the time that our administration has been here, but who now is resigning and leaving government service after all this great time. And with great regret, I have accepted the resignation of Secretary of State Al Haig.

I am nominating as his successor—and he has accepted—George Shultz to replace him.

And that's the extent of the announcement. Again, as I say, I do this with great regret.

Note: The President spoke at 3:04 p.m. to reporters assembled in the Briefing Room at the White House. His remarks were broadcast live on nationwide radio and television.

Letter Accepting the Resignation of Alexander M. Haig, Jr., as Secretary of State

June 25, 1982

Dear Al:

It is with the most profound regret that I accept your letter of resignation. Almost forty years ago you committed yourself to the service of your country. Since that time your career has been marked by a succession of assignments demanding the highest level of personal sacrifice, courage and leadership. As a soldier and statesman facing challenges of enormous complexity and danger, you have established a standard of excellence and achievement seldom equalled in our history. On each occasion you have reflected a quality of wisdom which has been critical to the resolution of the most anguishing problems we have faced during the past generation—the conclusion of the Vietnam war, the transfer of executive authority at a time of national trauma and most recently, advancing the cause of peace among nations.

The nation is deeply in your debt. As you leave I want you to know of my deep personal appreciation, and in behalf of the American people I express my gratitude and respect. You have been kind enough to offer your continued counsel and you may be confident that I will call upon you in the years ahead. Nancy joins me in extending our warmest personal wishes to you and Pat.

Sincerely,

RONALD REAGAN

[The Honorable Alexander M. Haig, Jr., The Secretary of State, Washington, D.C. 20520]

June 25, 1982

Dear Mr. President:

Your accession to office on January 20, 1981, brought an opportunity for a new and forward looking foreign policy resting on the cornerstones of strength and compassion. I believe that we shared a view of America's role in the world as the leader of free men and an inspiration for all. We agreed that consistency, clarity and steadiness of purpose were essential to success. It was in this spirit that I undertook to serve you as Secretary of State.

In recent months, it has become clear to me that the foreign policy on which we embarked together was shifting from that careful course which we had laid out. Under these circumstances, I feel it necessary to request that you accept my resignation. I shall always treasure the confidence which you reposed in me. It has been a great honor to serve in your Administration, and I wish you every success in the future.

Sincerely,

ALEXANDER M. HAIG, JR.

[The President, The White House]

Nomination of George P. Shultz To Be Secretary of State
June 25, 1982

The President today announced his intention to nominate George P. Shultz to be Secretary of State. He would succeed Alexander M. Haig, Jr.

Mr. Shultz is president and a director of Bechtel Group, Inc., the principal companies of which are Bechtel Power Corp.; Bechtel Petroleum, Inc.; Bechtel Civil and Minerals, Inc.; and Bechtel Investments, Inc.

After a government career, Mr. Shultz joined Bechtel in May 1974 as a director and member of the executive committee.

Shultz was born in New York City and spent his childhood in Englewood, N.J. In 1942 he received a bachelors degree in economics from Princeton University. That year he joined the U.S. Marine Corps and served as an officer in the Pacific area.

In 1949 he earned his Ph. D. degree from Massachusetts Institute of Technology. He taught there from 1948 to 1957, taking a year's leave of absence in 1955 to serve as a senior staff economist on the President's Council of Economic Advisers during the administration of President Eisenhower.

He moved to the University of Chicago Graduate School of Business as professor of industrial relations in 1957 and served as dean of the Graduate School of Business from 1962 to 1968.

He served in the administration of President Nixon as Secretary of Labor from 1969 to 1970, at which time he became the Director of the Office of Management and Budget. He became Secretary of the Treasury in 1972, serving until 1974.

Shultz is currently Chairman of President Reagan's Economic Policy Advisory Board. He is a part-time faculty member at Stanford University's Graduate School of Business. Shultz is a member of the boards of directors of General Motors Corp. and Dillon Read and Co., Inc., and a member of the International Council of Morgan Guaranty Trust Co. His most recent book, "Economic Policy Beyond the Headlines," was published in 1978 in the portable Stanford series and by W. W. Norton and Co., Inc.

Mr. Shultz is married to the former Helena M. O'Brien of Nashua, N.H. They have five children.

Nomination of Justin Dart To Be a Member of the Board of Directors of the Communications Satellite Corporation

June 28, 1982

The President today announced his intention to nominate Justin Dart to be a member of the Board of Directors of the Communications Satellite Corporation until the date of the annual meeting of the Corporation in 1985. He would succeed Jesse Hill, Jr., term expired.

Mr. Dart has been chairman of the executive committee of Dart & Kraft, Inc., in Northbrook, Ill., since September 1980. Prior to that, he was chairman of Dart Industries, Inc., which merged with Kraft, Inc., on September 25, 1980. He is director emeritus of United Airlines and its parent corporation, UAL, Inc.

He graduated from Northwestern University (B.A., 1929). He is married, has five children, and resides in Los Angeles, Calif. He was born August 17, 1907.

Appointment of Efrem Zimbalist, Jr., as a Member of the Board of Trustees of the John F. Kennedy Center for the Performing Arts

June 28, 1982

The President today announced his intention to appoint Efrem Zimbalist, Jr., to be a member of the Board of Trustees of the John F. Kennedy Center for the Performing Arts for the remainder of the term expiring August 1, 1988. He would succeed K. Le Moyne Billings.

Mr. Zimbalist is a televison and motion picture actor/producer from Los Angeles, Calif. He attended Yale University, and he served as first lieutenant in the United States Army during World War II.

He is married, has three children, and resides in Encino, Calif.

Letter to Ambassador Edward L. Rowny, Special Representative for Arms Control and Disarmament Negotiations, on the Strategic Arms Reduction Talks

June 29, 1982

Dear Ambassador Rowny:

You are about to undertake one of the most important tasks of our age—the negotiation of an effective and equitable strategic arms reduction agreement. Your efforts in this endeavor are vital to the citizens of the United States and the Soviet Union, and to all mankind.

Despite more than a decade of intensive negotiations, nuclear weapons continue to accumulate, and the strategic relationship between the Soviet Union and the United States has steadily become less stable. A major reason for this has been the massive buildup of the Soviet Union's ballistic missile force over the past 15 years.

An historic opportunity now exists for both the United States and the Soviet Union to reverse this process, and to reduce substantially both the numbers and the destructive potential of nuclear forces. Such reductions to equal levels must immediately focus on the most destabilizing elements of the strategic balance if we are to promptly enhance deterrence and stability and thereby reduce the risk of nuclear war. Further,

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An historic opportunity now exists for both the United States and the Soviet Union to reverse this process, and to reduce substantially both the numbers and the destructive potential of nuclear forces. Such reductions to equal levels must immediately focus on the most destabilizing elements of the strategic balance if we are to promptly enhance deterrence and stability and thereby reduce the risk of nuclear war. Further, the achievement of this goal should greatly reduce the nuclear anxiety that has become such a conspicuous feature of public concern throughout the world.

I do not underestimate the monumental nature of the task of effectively reducing forces. But while the task is formidable, the importance of undertaking these negotiations is fully appreciated by the American and, I believe, by the Soviet people. We must learn from the shortcomings of earlier efforts for, as you are well aware, the American people will not accept an agreement unless it is equal and verifiable, and contributes to stability.

The proposals you take to Geneva represent a practical, phased plan which will protect the legitimate security interests of both sides. It is designed to enhance deterrence and to achieve stability by reducing nuclear forces on both sides to equal levels in a verifiable manner. Its provisions significantly reduce the forces of both the Soviet Union and the United States and, therefore, contain benefits for both sides, as well as for the rest of the world.

I know that you and your delegation will present these proposals clearly and persuasively, along with the fundamental considerations that lie behind them. And, I want the Soviet delegation to know that concerns and proposals put forward by them will be given careful consideration by us. For our part, the United States is ready to move forward rapidly toward an agreement reducing strategic nuclear arms, and I am confident that if our efforts are met with the same seriousness of purpose by the Soviet Union, we can seize the historic opportunity that lies before us.

As the two leading nuclear powers in the world, the United States and the Soviet Union are trustees for humanity in the great task of ending the menace of nuclear arsenals and transforming them into instruments underwriting peace. I am convinced that this can be done if both nations fully accept the principle that the only legitimate function of nuclear arms is to deter aggression.

I wish you Godspeed in your efforts, and assure you that these negotiations will have personal attention.

Sincerely,

RONALD REAGAN

Remarks on Signing the Voting Rights Act Amendments of 1982

June 29, 1982

Well, I am pleased today to sign the legislation extending the Voting Rights Act of 1965.

Citizens must have complete confidence in the sanctity of their right to vote, and that's what this legislation is all about. It provides confidence that constitutional guarantees are being upheld and that no vote counts more than another. To so many of our people—our Americans of Mexican descent, our black Americans—this measure is as important symbolically as it is practically. It says to every individual, "Your vote is equal; your vote is meaningful; your vote is your constitutional right."

I've pledged that as long as I'm in a position to uphold the Constitution, no barrier will come between our citizens and the voting booth. And this bill is a vital part of fulfilling that pledge.

This act ensures equal access to the political process for all our citizens. It securely protects the right to vote while strengthening the safeguards against representation by forced quota. The legislation also extends those special provisions applicable to certain States and localities, while at the same time providing an opportunity for the jurisdictions to bail out from the special provisions when appropriate. In addition, the bill extends for 10 years the protections for language minorities.

President Eisenhower said, "The future of the Republic is in the hands of the American voter." Well, with this law, we make sure the vote stays in the hands of every

American.

Let me say how grateful I am to these gentlemen up here, the Members of the House and Senate from both sides of the aisle, and particularly those on the Senate Judiciary Committee, for getting this bipartisan legislation to my desk.

Yes, there are differences over how to attain the equality we seek for all our people. And sometimes amidst all the overblown rhetoric, the differences tend to seem bigger than they are. But actions speak louder than words. This legislation proves our unbending commitment to voting rights. It also proves that differences can be settled in a spirit of good will and good faith.

In this connection, let me also thank all the other organizations and individuals—many who are here today—who worked for this bill. As I've said before, the right to vote is the crown jewel of American liberties, and we will not see its luster diminished.

The legislation that I'm signing is the longest extension of the act since its enactment and demonstrates America's commitment to preserving this essential right. I'm proud of the Congress for passing this legislation. I'm proud to be able to sign it.

And without saying anything further, I'm going to do that right now.

[*At this point, the President signed the bill.*]

It's done.

Note: The President spoke at 12:15 p.m. at the signing ceremony in the East Room at the White House.

As enacted, H.R. 3112 is Public Law 97–205, approved June 29.

Statement on Signing a Bill Authorizing United States Humanitarian Assistance for Lebanon

June 30, 1982

I am signing into law today H.R. 6631, a bill which authorizes emergency humanitarian assistance to the unfortunate victims of the hostilities in Lebanon. Providing help to people in need is a tradition in which the American people should take great pride. The suffering in Lebanon continues to mount even as an international humanitarian effort, of which the United States is a part, attempts to aid the hurt, hungry, and homeless people in Lebanon.

I am grateful to the Congress for acting so quickly to authorize assistance for Lebanon, and hope that it will soon make available the $20 million I requested on June 16 for the relief effort. In the meantime, I have authorized the use of $2 million from the Refugee Emergency Fund, and the State Department is reprograming another $10 million of appropriated funds to meet the most urgent relief needs. As the full impact of this tragedy becomes known, the United States will continue to do its share in the international effort to relieve the suffering of the people in Lebanon.

Note: As enacted, H.R. 6631 is Public Law 97–208, approved June 30.

Proclamation 4950—National NCO/Petty Officer Week, 1982

June 30, 1982

By the President of the United States of America

A Proclamation

Time has not altered the basic duties and responsibilities of the majority of our Armed Forces personnel since the very foundation of our country was laid in 1776. For more than two hundred years, the American men and women who have so proudly served—and are currently serving—as Noncommissioned Officers and Petty Officers have been regarded as the backbone of the Armed Forces of the United States.

We all should recognize the great sacrifices and significant contributions made to the Nation by our fellow citizens whose traditional role of service to the Nation as soldiers, sailors, airmen, marines, and coast guardsmen is older than the Nation itself. Their spirit and devotion to duty is evident in the long list of recipients of the Medal of Honor and other decorations of personal valor. They are the heart of our Armed Forces which sustain our freedom and way of life. The duties they perform in accomplishing their mission are a necessary and permanent part of this country's defense mechanism. Upon their shoulders lies the defense of our Nation.

By House Joint Resolution 518, the Congress has designated the week commencing with the fourth Monday in June 1982, as "National NCO/Petty Officer Week."

Now, Therefore, I, Ronald Reagan, President of the United States of America, do hereby proclaim the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week." I call on all Americans, State and local officials and private organizations to join in honoring Noncommissioned Officers and Petty Officers who serve and have served our Nation's defense objectives and to observe this week with appropriate ceremonies and activities.

In Witness Whereof, I have hereunto set my hand this 30th day of June in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 4:26 p.m., June 30, 1982*]

Proclamation 4951—National Children's Day, 1982

June 30, 1982

By the President of the United States of America

A Proclamation

As the inventors, artists, teachers, farmers, businessmen and women, decisionmakers, and leaders of tomorrow, children are our most important resource.

But children need parental love and guidance to reach their fullest potential, and they function most successfully when parents define values, set goals, and provide stability for them.

As parents fulfill their responsibility to love, encourage, and guide their children, youngsters have the opportunity to develop the self-esteem and competence that equip them to make sound decisions when they become adults.

National Children's Day provides a time for us to recognize the value, vitality, and potential of our young people. It is a day to recommit ourselves to nurturing our youth and to helping them achieve a healthy and happy future. We must strive to encourage our children to take advantage of opportunities for positive educational experiences and training, for the manner in which our children grow and learn will dramatically affect how our Nation is able to meet its future challenges.

Now, Therefore, I, Ronald Reagan, President of the United States, in accordance with House Joint Resolution 191 (Public Law 97–29), do hereby proclaim August 8, 1982, as National Children's Day. I call upon the people of the United States to observe this day with appropriate activities in their homes and communities.

In Witness Whereof, I have hereunto set my hand this 30th day of June, in the year of our Lord nineteen hundred and eighty-two, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

[*Filed with the Office of the Federal Register, 4:27 p.m., June 30, 1982*]

Executive Order 12369—President's Private Sector Survey on Cost Control in the Federal Government

June 30, 1982

By the authority vested in me as President by the Constitution and laws of the United States of America, and in order to establish, in accordance with the provisions of the Federal Advisory Committee Act, as amended (5 U.S.C. App. I), an advisory committee to study cost control in the Federal Government, it is hereby ordered as follows:

Section 1. Establishment. (a) There is established the Executive Committee of the President's Private Sector Survey on Cost Control in the Federal Government. The Committee shall be composed of not more than 150 members appointed by the President from among citizens in private life.

(b) The President shall designate a Chairman from among the members of the Committee.

Sec. 2. Functions. (a) The Committee shall conduct a private sector survey on cost control in the Federal Government and shall advise the President and the Secretary of Commerce, and other Executive agency heads with respect to improving management and reducing costs.

(b) The Committee shall conduct in-depth reviews of the operations of the Executive agencies as a basis for evaluating potential improvements in agency operations.

(c) In fulfilling its functions the Committee shall consider providing recommendations in the following areas:

(1) Opportunities for increased efficiency and reduced costs in the Federal Government that can be realized by Executive action or legislation;

(2) Areas where managerial accountability can be enhanced and administrative control can be improved;

(3) Opportunities for managerial improvements over both the short and long term;

(4) Specific areas where further study can be justified by potential savings; and

(5) Information and data relating to governmental expenditures, indebtedness, and personnel management.

Sec. 3. Administration. (a) The heads of Executive agencies shall, to the extent permitted by law, provide to the Secretary of Commerce, the Committee and its staff units such information, including that relating to the structure, organization, personnel and operations of the Executive agencies, as may be required for carrying out the purposes of this Order.

(b) Members of the Committee shall serve without compensation.

(c) A management office may provide overall administrative staff support to the Committee, guide the day-to-day operations of the Survey and provide liaison with the Executive Office of the President; separate unit staffs may be utilized to provide such staff support as is necessary to accomplish reviews of individual agencies.

(d) The Secretary of Commerce shall, to the extent permitted by law and subject to the availability of funds, provide the Committee with such information, administrative services, facilities, staff and other support services it may require.

(e) The Committee is to be funded, staffed and equipped, to the extent practicable and permitted by law, by the private sector without cost to the Federal Government. To accomplish this objective, it is expected that the Secretary of Commerce will engage in a joint project, with a nonprofit organization, pursuant to Section 1 of Public Law 91–412 (15 U.S.C. 1525), for the purpose of providing staff support to the Committee as described in Section 3(c).

Sec. 4. General Provisions. (a) Notwithstanding the provisions of any other Executive order, the responsibilities of the President under the Federal Advisory Committee Act, as amended, except that of reporting annually to the Congress, which are applicable to the Committee established by this Order, shall be performed by the Secretary of Commerce in accordance with guidelines and procedures established by the Administrator of General Services.

(b) In accordance with the Federal Advisory Committee Act, as amended, the Committee shall terminate on December 31, 1982, unless sooner extended.

RONALD REAGAN

The White House,
June 30, 1982.

[Filed with the Office of the Federal Register, 4:28 p.m., June 30, 1982]

The President's News Conference
June 30, 1982

The Nation's Economy

The President. Good evening. I have a statement.

Tomorrow, July 1st, marks the beginning of brighter days for everyone who works, saves, and helps our economy grow. For starters, social security recipients will receive their 7.4-percent cost-of-living increases. Many older Americans have been cruelly misled into believing that they would be denied their social security benefits. I said when I campaigned for this office and I've said as President, we'll protect those benefits and we will protect the integrity of social security. We're honoring these promises.

Tomorrow marks the keeping of another important commitment—the second stage of the tax cut. Those who pay taxes will see their tax rates cut by 10 percent across the board. There'll be another 10-percent cut next year. Together with reductions in the marriage penalty, an increase in the child care credit, and a strong new incentive for retirement savings, American families finally have the means to plan ahead and get ahead. The personal savings rate was 4.6 percent the first quarter last year, when we came into office. It's averaged 5½ percent so far this year, and that's before this new cut goes into effect.

These tax incentives must be preserved. They are essential to lasting economic recovery. It's ironic to hear the same people who hit us with the biggest tax increase in our history now insisting on scrapping the third year of the tax cut and indexing and doing this in the name of fairness. With their notion of fairness, low- and middle-income Americans would lose nearly 40 percent of their entire tax reduction.

Well, our loyalty lies with little taxpayers, not big taxspenders. What our critics really believe is that those in Washington know better how to spend your money than you, the people, do. But we're not going to let them do it, period.

A year and a half ago, we inherited 21½-percent interest rates, double-digit inflation, and a trillion-dollar debt—the worst economic mess in postwar history. I told the American people it would be tough. There was no quick fix or magic wand. But if we believed in ourselves, if we stuck together, we could turn the economy around and have a future filled with opportunity and hope.

We've brought interest rates down, although certainly not nearly enough. While prices are still increasing, these increases are only half what they were a year ago. The buying power of Americans is growing for the first time in years. And we've had the first increase in real wages in 3 years.

Interest rates and unemployment may remain stubbornly high for a time, and too many Americans are still hurting economically. But we are beginning to make progress. And if we stick to our plan, if we keep the Congress from going back to its runaway spending, the recovery will take hold, strengthen, and endure.

End of statement.

Helen [Helen Thomas, United Press International].

Israeli Invasion of Lebanon

Q. Mr. President, there are some who say that by failing to condemn the Israeli invasion of Lebanon and refusing to cut off arms to the invading armies, the United States and Israeli policies have become—and goals have become identical. If there's a difference, what is it?

Also, is there a difference between the Soviet slaughter of Afghans, which the United States has condemned so often, and the killing of Lebanese and the displaced people of Palestine? If so, what's the difference?

The President. Helen, you've asked a question that—or several questions that I have to walk a very narrow line in answering.

There's no question but that we had hoped for a diplomatic settlement and believed there could have been a diplomatic settlement in the Middle East, in that situation. We were not warned or notified of the invasion that was going to take place. On the other hand, there had been a breaking of the cease-fire, which had held for about 11 months in that area.

I think there are differences between some of these things that are going on and things like just the outright invasion of Afghanistan by a foreign power determined to impose its will on another country. We have a situation in Lebanon in which there was a force, the PLO, literally a government within a government and with its own army. And they had pursued aggression themselves across a border by way of rocket firing and artillery barrages. But the situation is so complicated and the goals that we would like to pursue are what are dictating our conduct right now.

We want the bloodshed to end; there's no question about that. We didn't want it to start. But we've seen Lebanon for 7 years now divided into several factions, each faction with its own militia, not a government in control. We have seen, as I've said, this PLO, and we've seen the invasion of other forces, the presence of the Syrians, as well, in Lebanon.

Right now, our goals are—as for the first time in 7 years the Lebanese seem to be trying to get together, and their factions have come together seeking a way to have a central government and have control of their own country and to have a single Lebanese army. That is one of the goals we would like to see. The other goal would be the guaranteeing of the southern border with Israel, that there would be no longer a force in Lebanon that could, when it chose, create acts of terror across that border. And the third goal is to get all the foreign forces—Syrians, Israelis, and the armed PLO—out of Lebanon. And we're——

Q. A lot of people have been displaced in Palestine.

The President. Yes, and I signed a bill this morning for $50 million in aid for Lebanon there, where several hundred thousand of those Palestinians are. I don't think they were all displaced from one area, and they have been refugees now into ongoing generations.

I think—when I say PLO, one has to differentiate between the PLO and the Palestinians. And out of this, also, we have another goal—and it's been our goal for quite some time—and that is to, once and for all, when these other things are accomplished—once and for all, to deal with the problem of the Palestinians and settle that problem within the proposals and the suggestions that were made in the Camp David accords.

Secretary of State Haig

Q. Mr. President, by all accounts Secretary of State Haig offered to resign several times. Why did you accept his offer this time? And what are you going to be doing to make sure that the sort of problems that led to his resignation don't occur again?

The President. Well, once again you ask a question upon which, when I accepted his resignation, I made a statement that I would have no further comments on that or take no questions on it. He only once offered to—or came in with a resignation and submitted his resignation to me. Whatever else has been heard was never—that was never in any conversation between us. And he presented his resignation, and I, with great regret and sorrow—and that's not just a platitude; I really mean it—accepted that resignation.

I must say at the same time I also stated—and I will state again—his service to his country and his service to our administration has been all that could be desired, and I have profited and benefited by his wisdom and his suggestions. And he made his letter of resignation plain.

And to save further time from any of you, as I said the first day, I will comment no further on that.

Q. Mr. President, looking to the future, there were some problems in this area—in the foreign policy area. Can you say if there are going to be any changes or if anything will be done differently, so that the sort of problems that led to his resignation won't reoccur?

The President. There's going to be no change in policy. Foreign policy comes from the Oval Office and with the help of a fine Secretary of State. And I've had that fine Secretary of State. And I must say, fortunately for the country, for the administration, as Secretary Haig leaves, his replacement is a man with great experience and a man of unquestioned integrity, and I think we're all fortunate that we have been able to have such a replacement.

My system has been one—and always has been one—not of having a synthesis presented to me of where there are conflicting ideas and then it's boiled down and I get a single option to approve or disapprove. I prefer debate and discussion, a debate all those who have an interest in a certain issue and a reason for that interest, to have their say, not be—sit around as "yes" men. And then I make my decision, based on what I have heard in that discussion. And that will be the procedure we'll follow.

Secretary of Labor Donovan

Q. Mr. President, what are you going to do about Mr. Donovan? Has he become too much of a political embarrassment to you, or are you going to be sticking with him?

The President. Certainly I'm going to be sticking with him. All the allegations that were brought, the many, many allegations—and he asked for a special prosecutor; he asked to appear before a grand jury. And the grand jury found nothing that caused them any concern or to take any action. The prosecutor has brought in a report of a thousand pages and has found there is no substantiation for any of the allegations.

Now, why should someone become an embarrassment who has been attacked and undergone what he has undergone all these months, and then a thousand pages of investigatory report says there was never any substantiation for those charges, as he had said in the beginning: There would be none. I think that it would be the most unfair thing in the world for anyone to think that he has been anything but unfairly and unjustly assailed.

Q. So that case is closed as far as you're concerned?

The President. You bet. That case is closed.

Andrea [Andrea Mitchell, NBC News], you've been trying for some time, and I'm sorry I've had to pass by. Have a question.

Secretary of State Haig

Q. Thank you, Mr. President. What I wanted to ask you is whether you felt—even though you won't discuss the reasons for Secretary Haig's resignation or why you accepted it—whether you feel that coming at the time of this crisis in the Middle East, that you should have accepted his resignation. What could have propelled you to accept the resignation in the middle of such a crisis? And do you think it has undermined our ability to conduct foreign policy with confidence abroad?

The President. No, I don't believe it has, and I think part of this is because the continuity that anyone can see with the replacement by the—or nominee, George Shultz.

I just have to say that there is no easy time for a Secretary of State to resign. I don't know of a time that we've been here in which there has not been some crisis, something of that kind going on—and there are several hotspots in the world other than these that we've touched upon. So, there just is no easy time for that to happen.

Q. One followup, sir. How do you respond to those who say that there is confusion in your foreign policy?

The President. I would respond by saying that I think that we've been pursuing a foreign policy that is sound, that we've had great successes in a number of areas with this. Granted, we have some problems in the world that we would like to be helpful in, and we've not secured—or been of the help that we would like to have been. But when we came here, our own national defenses were in disarray. We have started the rebuilding of those defenses.

There was great question, with the terrible tragedy in Egypt, that the Camp David first call for the return of the Sinai might not be carried out. It was carried out. We have just had 11 months of cease-fire, thanks to the herculean efforts of Phil Habib, who has been there and performing yeoman service keeping the lid on that situation.

We offered our help and, again, Secretary Haig did a superhuman job in trying to prevent bloodshed in the South Atlantic situation regarding the Falklands. We were unable to succeed in that to persuade the aggressive party to leave the islands and then have a peaceful solution to the problem. But I wouldn't refuse to do it again in a like situation. I thought we had a proper place in trying to solve that.

But in the southern part of Africa, the independence of Namibia—this was dead in the water. We have made great progress there, and we're very optimistic about what might take place. I think there was disarray with our European allies. I think that has been largely eliminated, and they have confidence in us once again.

So, I think that we're progressing very well with what it is we're trying to accomplish.

Yeah?

Israeli Invasion of Lebanon

Q. Mr. President, what steps are you prepared to take if Israel resumes fighting in Lebanon, moves in on the PLO and West Beirut. And what is the United States prepared to do for the Palestinians, whose legal rights you apparently told President Mubarak of Egypt the U.S. supports?

The President. This is a question, again, where I have to beg your tolerance of me. With the delicacy of the negotiations that are going on in the—trying to achieve those three major points that I mentioned—there's just no way that I can comment on or speculate about what might happen, because I don't want anything that might in any way affect those negotiations, all of which involve the very things that you're asking about. And I just have to remain silent on those.

Tuition Tax Credits

Q. Mr. President, your proposal to grant tax credits on income tax to the parents of the children who attend private schools is now under attack, as you know, on the Hill. The critics say that this will cost a billion and a half dollars a year eventually. It will help the rich. It'll help schools that discriminate. And they also say this is just a political ploy for certain votes. And are you really planning to fight for the passage of this bill at this session of Congress?

The President. Yes, I am. And I'll tell you something. In 8 years as Governor of California and in 17 months here, I don't practice political ploys to get votes. I do what I think is right.

And for those who say that—first of all, that this benefits the rich, the overwhelming majority of parents or families with children in independent or parochial schools in America today have incomes of under

$25,000. Forty percent of the students in the Catholic schools of Chicago are black. This whole measure is simply a recognition of the unfairness of people, who in an effort to—they hope to improve the education or get the kind of education that they particularly want for their children, are willing to pay the full burden of the taxes that support the public school system.

This brings me to another charge, incidentally, those people that say in some way this would hurt the public school system. How? We aren't taking anything away from the public school system. What would hurt the public school system is if all of the independent schools closed, and those thousands and thousands of youngsters were dumped on the public school system, which doesn't have the facilities or the means to take care of them. That would be quite a dislocation.

But these parents are willing to pay for one system of education by taxes that they do not use at all and then out of their own pockets pay for another system of education to educate their own children, which relieves some of the burden on the taxpayers. They don't impose on them. And I just think it's simple fairness to give them some kind of a break. And, as I say, the economics of it points out that this is benefiting those people at the lower and middle-income ranges.

Lou [Lou Cannon, Washington Post].

Secretary of State Haig

Q. Mr. President, in 1976, when another Secretary of State left under another President, you were critical of the explanations given and called for a fuller explanation. With all due respect, sir, don't you think that the American people deserve to know more of the reasons that led to the departure of Secretary Haig?

The President. Lou, if I thought that there was something involved in this that the American people needed to know, with regard to their own welfare, then I would be frank with the American people and tell them. And I think, if we're recalling the same previous resignation—I think there were some things that indicated that maybe there was something where there were sides in which the American people needed to know for their own judgment.

Q. If I could follow up, sir. Then you think that the entire explanation has been given as far as is necessary?

The President. Yes, I don't think there's anything that in any way would benefit the people to know or that will in any way affect their good judgment.

Equal Rights Amendment

Q. Mr. President, since Maureen Reagan today mentioned what she termed, "the myopic views of the political establishment, a Bohemian Grove society that comes from rubbing elbows with the mighty"—that's what she said, it's not mine—[*laughter*]——

The President. Mm-hm.

Q. ——and she told us to ask you why you changed your mind on ERA.

I have a two-part question. The first is, why? And the second, did you ever at any time consider the possibility of selecting a female runningmate like, say, Barbara Bush? [*Laughter*]

The President. Well, I came as close to Barbara as I could. [*Laughter*]

My daughter's very eloquent. [*Laughter*] But since you've opened that subject, let me just make a comment of my own on that subject.

I know that this was the day and the decision day, the day of reckoning. I don't think, however, that the effort over the last 10 years—while there's been a difference in how to handle the problem of discrimination against women, I don't think that the effort was wasted because they didn't get the constitutional amendment. The only debate has been over the method of eliminating or erasing discrimination.

But in these 10 years, I think that their effort has brought to the attention of the people this problem. I know it did for me when I was Governor to the extent that in California we found 14 statutes that did discriminate. And we eliminated those 14 statutes or altered them; we removed the provisions in them that were discriminatory.

Now, I believe in equal rights. And when I came here I asked the 50 Governors individually if each one of them would appoint someone in their own State to start looking, searching for statutes and regulations to do what we had done there in California—and this included in California to see if there are more that we didn't find. I promised to appoint and have appointed a person in our government here and our administration also to bring this together into a concerted movement and to keep helping move it along. And I found that there was a task force in the Justice Department—and I think that maybe we've made it more active since we've been here—to do the same thing with regard to Federal laws and regulations and to eliminate those that are discriminatory.

And now I know that many say that they will continue to try for an amendment. And I just wonder if any of them have ever thought how much of that effort and the resources that are employed in that, if used in behalf of this program that I've just mentioned, if they could not achieve what it is they want to achieve and much faster, just as we did in California, and eliminate. And we're going to continue to try and do that.

Yes, Sam [Sam Donaldson, ABC News].

Israeli Invasion of Lebanon

Q. Mr. President, many Arab States are saying that if Israel invades Beirut—West Beirut, it can only be because you have given Israel a green light to do so. Have you done so? Will you? And what will be your attitude if Israel goes into West Beirut?

The President. Sam, again this is the type of question in which, with the negotiations at the point they are, that I can't answer.

I would like to say this: No, I've given no green light whatsoever. And an impression that I know some of the neighboring states there have had from the beginning is that somehow we were aware of this and we gave permission or something. No, we were caught as much by surprise as anyone, and we wanted a diplomatic solution and believe there could have been one.

Q. But, sir, if I may, last week your Deputy Press Secretary said that when Prime Minister Begin was here, he promised you that Israel would go no further into Beirut.

The President. I think also—his not having heard the conversation between Prime Minister Begin and myself—that what he called a promise actually was in a discussion in which, to be more accurate, the Prime Minister had said to me that they didn't want to and that they had not wanted to from the beginning.

Q. So it was not a promise not to do it.

The President. No.

Now, I said you, and then Ann.

Soviet Pipeline Embargo

Q. Mr. President, the British Government today took steps to enable British companies to get around the U.S. embargo on sale of gas pipeline equipment to the Soviet Union. Some of your advisers, including Mr. Haig, have argued all along that this embargo is going to be counterproductive and is going to be damaging to U.S. interests in Europe. And I'm wondering if you have any second thoughts about the U.S. embargo or if you intend to take any additional steps to force our European allies to go along with it?

The President. Well, there aren't any additional steps. We were well aware that there might be legalities concerned with the contracts or the licensing of foreign countries.

This is simply a matter of principle. We proposed that embargo back at the time when the trouble began in Poland, as—and as we believe firmly that the Soviet Union is the supporter of the trouble in Poland and is the one to deal with on that. And we said that these sanctions were imposed until—and we specified some things that we felt should be done to relax the oppression that is going on of the people of Poland by their military government. Now, if that is done, we'll lift those sanctions. But I don't see any way that, in principle, we could back away from that, simply because the Soviet Union has sat there and done nothing. And this is the reason for it.

I understand that it's a hardship. We tried to persuade our allies not to go forward with the pipeline for two reasons. One, we think there is a risk that if they become industrially dependent on the Soviet Union for energy—and all the valves are on the Soviet side of the border—that the Soviet Union can engage in a kind of blackmail when that happens.

The second thing is, the Soviet Union is very hard pressed financially and economically today. They have put their people literally on a starvation diet with regard to consumer items while they poured all their resources into the most massive military buildup the world has ever seen. And that buildup is obviously aimed at the nations in the alliance. And they, the Soviet Union, now hard-pressed for cash because of its own actions, can perceive anywhere from 10 to 12 billion dollars a year in hard cash payments in return for the energy when the pipeline is completed—which I assume, if they continue the present policies, would be used to arm further against the rest of us and against our allies and thus force more cost for armaments for the rest of the world. And for these two reasons, we tried to persuade our allies not to go forward.

In some instances they claim that the administrations before them—see, there's others that have had administrations before them—had made contracts which they felt were binding on their country and so forth. We offered to help them with a source of energy closer to home, Norway and the Netherlands, and gas fields that apparently have a potential that could meet their needs. We weren't able to get that agreement. We did have some success with regard to credits where the Soviet Union's concerned.

But this, our sanctions, as I say, have to do with actions taken by the Soviet Union and our response to those actions.

Ann [Ann Compton, ABC News].

1984 Presidential Election

Q. May I ask you to address a political question? Earlier this week, one of your Cabinet members was quoted as saying about you, "I've told him time after time that he has to stop telling those guys around him that he's not going to run again." Are you telling those guys around you that you're not going to run again? Or will you tell us that you are?

The President. Well now, Ann, you know that it is far too early to make a decision on a matter of that kind. But I can answer your question more completely. No, I have not been telling anyone around me that I won't run again. I have, at times, even expressed the idea to them that it would be unlike me, I think, to walk away from an unfinished job. And I've suggested that they shouldn't waste their time reading the "Help Wanted" ads.

Q. Well, that seems—the legalities of announcing aside—that seems to indicate to us that you would be indicating you're leaning in favor of running in 1984.

The President. Well, really what it says is no decision has been made one way or the other, because it's far too early to make such a decision.

Yes?

U.S. Sanctions Against Argentina

Q. Mr. President, do you intend to keep or in the near future remove the sanctions you imposed on Argentina in the Falklands crisis?

The President. I can't give you an answer on that, what is going on right now, the—we did our best, as I said before, to try to bring about a peaceful settlement. It didn't happen. There was armed conflict, and there has been a victor and a vanquished. And now it's hardly the place for us to intervene in that. We'll stand by ready to help if our help is asked for.

We just haven't had a discussion on that matter as yet.

Secretary of State Haig

Q. Mr. President, I don't know if I'll succeed where others have failed before. I understand your reluctance to discuss the Haig resignation, but two specific questions have seemed to arise from that resignation. Do you think that there were mixed signals sent to the Middle East which resulted in the PLO getting one impression, that you were pressing the Israelis to withdraw, while the rest of the administration was trying to maintain pressure on the PLO to evacuate and disarm?

And the second one is, did you sort of blindside your own State Department when you suddenly made the decision to take your most severe option on the pipeline, leaving the State Department dangling to explain to Western Europe?

The President. No, there was no blindsiding on that—I'll take the last part first. That was fully discussed and has been several times in the Cabinet. There were differences of opinion about the extent to which we would do it or whether we would do it at all. And I had to come down, as I did at the first, on the side of what I thought was principle.

As to conflicting signals, no. I know there have been rumors about that. No, we have been in constant communication through the State Department with Phil Habib and taking much of our lead from his reporting of what's going on there and what we can or can't do that might be helpful. And, well, naturally there are times such as—I've had conversations with ambassadors, but everything that is discussed is then related to whoever was not present—National Security Council, national security adviser, State Department—so that at all times and there has never been any dual track or confusion with regard to our communications.

Q. Mr. President, yesterday——

Civil Rights

Q. Mr. President, when you signed the extension of the Voting Rights Act the other day, some minority leaders expressed skepticism over your administration's commitment to that civil rights legislation, possibly because it took you a very long time to embrace the language of the bill. My question is, what initiatives, if any, are you going to take to make very certain that that law is enforced?

The President. I'm going to take every initiative there is. It's my responsibility to see that it is enforced. I think the one prime responsibility at the Federal level is to guarantee the constitutional rights of every citizen no matter where in the land that citizen may be if those rights are being violated.

It didn't take me long. There was quite a bit of legislative debate in the Congress about that bill and some provisions. I had said from the beginning if they wanted to just send me the original bill, I would—and I offered then at the very beginning to extend it for the longest period it's ever been extended, 10 years.

I know that some of those civil rights leaders have that impression, and, as a matter of fact, they are doing a little bit of image building about me. I would like to have any one of them point to a single instance with regard to me that supports their idea that in any way I am racially prejudiced or am not in full accord with providing civil rights for all our citizens. And that goes back before there was a term called "civil rights."

I was raised in a household in which the only intolerance I was taught was intolerance of bigotry. And I will match my record against some of those critics, and maybe not their words—because many of them are gifted with rhetoric—but with actual deeds.

I appointed, as Governor of California, to executive and policymaking positions more members of the minority community than all the other 32 Governors that had preceded me in California history. Right now, after 17 months, we have been proceeding along the same line here in our own government. And, incidentally, in response to another question here with regard to the sexual discrimination, I think we're ahead of just about anyone at this point with regard to the appointment of women to high positions in our government. But as a student, I fought this when I encountered it. As a sports announcer, I did as much as I could do at a time when prejudice was deeply embedded in the world of professional sports. I have given you the record as Governor and since then.

And it's kind of frustrating; it really does bother me. I wish sometime one of them would tell me what it is. But I just wonder sometimes if some of those critics aren't guided more by politics than——

Judy [Judy Woodruff, NBC News].

Israeli Invasion of Lebanon

Q. Mr. President, some Israeli officials have acknowledged in recent days the use of cluster bombs in the war in Lebanon. How much does this concern you?

The President. It concerns me very much, as the whole thing does. And, Judy, we have a review going now, as we must by law, of the use of weapons and whether American weapons sold there were used offensively and not defensively. And that situation is very ambiguous. The only statement that we've heard so far with regard to the cluster bomb was one military official—Israeli military official—has apparently made that statement publicly, and we know no more about it than what we ourselves have read in the press. But the review is going forward and the review that would lead to what the law requires, that we must inform the Congress as to whether we believe there was a question of this being an offensive attack or whether it was in self-defense.

When I said "ambiguous," you must recall that prior to this attack Soviet-built rockets and 180-millimeter cannon were shelling villages across the border in Israel and causing civilian casualties.

Ms. Thomas. Thank you, Mr. President.

Note: The President's 11th news conference began at 8 p.m. in the East Room at the White House. It was broadcast live on nationwide radio and television.

Letter Accepting the Resignation of Jerry L. Jordan as a Member of the Council of Economic Advisers

June 30, 1982

Dear Jerry:

I accept with great reluctance your letter of resignation from the Council of Economic Advisers effective July 31, 1982, but I understand your desire to return to your academic position.

Your talents and contributions have proven invaluable in designing and implementing this Administration's economic program. I am very sorry that personal considerations led you to leave the Council of Economic Advisers at this particular time.

You have my best wishes for a successful future.

Sincerely,

RONALD REAGAN

[The Honorable Jerry L. Jordan, Council of Economic Advisers, Washington, D.C. 20500]

June 29, 1982

Dear Mr. President:

It has been an honor and a privilege to serve in your Administration. In the first year and one half in office you have established a new direction in economic policies for the country which will endure long after we have all left office. For personal reasons I am resigning from the Council of Economic Advisers, but I do so knowing that the country is beginning a new period of prosperity that will demonstrate the wisdom of the policies you have been pursuing since taking office.

The example the United States is setting for the rest of the world is important to the preservation of personal liberties and private initiative. It has not been easy for us to begin implementing your economic policies, and it will not be easy for other countries to follow. But, a successful model of regulatory reform, tax reduction, spending limitation and monetary stability will tempt others to follow our example. It is a good and well-balanced program that challenges the advocates of statism and protectionism more than any other time in modern history.

Although I am leaving the Council, I will remain a strong advocate of your policies. Your courage and optimism have been a great inspiration.

With great respect and admiration, I ask that you accept my resignation effective July 31, 1982.

Best wishes for a continued successful Presidency.

Sincerely,

JERRY L. JORDAN

[President Ronald W. Reagan, The White House]

Note: The text of the letters was released by the Office of the Press Secretary on July 1.

Remarks and a Question-and-Answer Session in Los Angeles at a Meeting With Editors and Broadcasters From Western States

July 1, 1982

The President. Ladies and gentlemen, thank you very much for giving me this opportunity—and to the working press in the back as differing from the lunching press in the front. The questions, when they come, are going to be limited to the guests who are here at the luncheon.

I always look forward to coming home to California, but I'm especially glad to be here today. July 1st is the date on which this administration redeems two of its most important promises, I think, to the American people. First, social security recipients receive today the 7.4-percent increase they're entitled to and that they were promised; and second, this is also the date when our revolutionary tax program and its first across-the-board 10-percent reduction takes effect.

California is where the stirrings of the tax rebellion were first heard, and judging by the recent election here, they're still being heard. Those who've come from out of State, just about every spending measure that was on the ballot in this recent June election was defeated, and all of those that called for more savings and so forth and tax cuts were approved. So, it's especially appropriate to be here on this day when one of the largest Federal tax cuts in American history takes place.

Actually, though, this tax rebellion and the tax cut itself is only a symbol of much deeper change that's taken place in national politics during the last year and a half. In pointing out the enormity of this change, Murray Weidenbaum, the Chairman of our Council of Economic Advisers, sometimes liked to talk about the Sherlock Holmes story where the key clue was not found in anything that happened, but in that which didn't happen—the dog that didn't bark. Historically, whenever the economy hit a slowdown or recession in the past, the hounds of big government started their ritualistic baying, and there were demands for all sorts of pump-priming, make-work programs, public-service jobs, increased spending, and bigger deficits. You remember how we were always told with those deficits not to worry about the debt; we were told that we owe to ourselves.

Well, during our present economic troubles we've managed not only to stifle the calls for government spending and expansion or intervention, but we've actually attacked the root causes of the recession by reducing taxes, dramatically slowing the rate of growth in Federal spending, and cutting and streamlining hundreds of Federal regulations, and getting a firm hand on inflation. I have told some audiences recently George Bush is in charge of the task force on eliminating the unnecessary regulations that we talked about during the campaign. In the coming year, the American people will be saved 200 million man-hours of paperwork by the regulations that have been eliminated so far.

Well, these things mark more than just a change in those government policies that led to the boom-or-bust cycle of periods of recession and high unemployment followed by periods of high inflation. Until this present recession there had been seven or eight—I may have lost track and I'll cover myself by saying that so I won't be charged with an inaccuracy. It means that we've broken a long and destructive historical trend and that gradually economic decision-making is being put back in the hands of the people. It means that we're taking economic power away from the public sector and getting it back to the private sector so they can prosper and expand.

And this provides for more than just a quick upturn in the economy for the months ahead. We're getting undue government intrusion out of the marketplace. By encouraging incentives and rewarding enterprise, we're laying the groundwork for steady and sustained growth over many years. We're releasing the pent-up energy and initiative that has for so many years laid dormant in the American economy.

Although as news men and women you have all you can do to faithfully and accurately report the events of the day, you also know that you perform a most important service for your readers and listeners when you can provide them with more historical perspective on those events. I think there's been a sea change in American domestic policy during the year and a half since we arrived in Washington, and that's why I wanted to mention it today.

Very briefly, if you'll permit me, I think you've seen this same sort of significant change that took place domestically take place in foreign policy. You know, for too many years our adversaries were successful in convincing us that they had the right to criticize or accuse us of any kind of outrage, but that any attempt on our part to point out the evils of totalitarianism was somehow an act of belligerence. I've never been able to understand those people who could say, "How dare you call someone a Communist, you Fascist you."

I think we've made a long overdue break with this psychology. I can't think of an administration that has been more energetic or sincere in coming forth with new arms control initiatives. Yet, at the same time, we've candidly pointed to the decay of the Soviet experiment and robustly defended the ideas of personal freedom and representative government. I think this kind of candor dramatically improves our chances to negotiate meaningful arms control agreements.

Let me just add: Our willingness to speak for freedom is no bargaining chip. It's an integral part of our foreign policy. Without timely expression and emphatic endorsement, our own belief in the principles of human freedom and representative government must eventually atrophy and wither. This must never happen. We must stand for our beliefs and our values and, in doing so, inaugurate a forward strategy for freedom.

So, in little more than a year and a half on the domestic front, we've turned away from state power and back to the real source of economic progress, the energy and intiative of the American people. And on the international front, we've come forth with important new initiatives, while embarking on a forward strategy for freedom that reinvigorates our own commitment to individual liberty. It increases the chances for the expansion of democratic rule to the rest of the world.

And now I understand there are some with microphones there for questions and—yes.

Strategic Arms Reduction

Q. Mr. President, my question is: The change in command at the State Department could impede the progress of the START talks, at least for openers. How does the White House and START negotiators intend to deal with this?

The President. As a matter of fact, if I had thought that such a thing as this could have impeded in any way our legitimate effort to get a reduction in the strategic nuclear weapons, I would have not accepted, but fought against accepting, the resignation. It had nothing to do with anything of that kind, and I am convinced that we're going forward with the best opportunity that we've had in a long time, in a number of years.

In recent years in our efforts—first of all, I don't know how many people are aware that since the war—since World War II, this country has proposed and tried to secure arms reductions and limitations and so forth of various kinds 19 times with very little success. I think part of it in recent years has been because we ourselves embarked on a program of unilateral disarmament, and the Soviet Union was out to catch up. We at the end of World War II were the only truly superpower in the world. We were the ones who still had no industrial damage done to us by the scars of war. Our military was intact and had not suffered as great a loss as those who had been in prior to our going into the war. And we tried from that vantage point, as we all know, to bring about these reductions.

I believe now that our military buildup and the fact that we have shown the will, the ability to go forward with a military buildup, is what has brought the Soviet Union to the negotiating table as quickly as they came. And it's this that we think will keep them there. I think it's best explained by a cartoon recently that one of your papers ran, and that was a cartoon of Brezhnev speaking to a Russian general, and he was saying, "I liked the arms race better when we were the only ones in it."

The hand right back there.

Natural Rubber Industry

Q. We want to thank you for bringing the natural rubber industry out of oblivion. And now you've turned it over to the Navy.

The President. Would you—so everyone could hear.

Q. And the Navy is—has regulations which are keeping it from doing anything. Is there any possibility of talking to the Navy and get some of those restrictions lifted?

The President. Now, what restrictions in the Navy are you asking about?

Q. About natural rubber. You're trying to build a natural rubber industry, which is going to bring jobs to this country, which is great, especially in Salinas, California. But the Navy is embedded with regulations which are preventing its moving out. Can we do anything about it?

The President. All I can do is tell you—I'll do right now is I'll go back and tell Cap Weinberger about that question. [*Laughter*] It was something new for me.

Nuclear Arms Freeze

Q. Mr. President, relative to your arms control initiative, the coordinators of the California nuclear freeze program are suggesting that if you're serious about reducing nuclear arms, the obvious place to start is with a stop. And they wonder whether you would accept that and supporting the California nuclear freeze on the ballot in November.

The President. Jeff, I think the only problem that I have with the freeze is, I know the people are sincere and all, but they've got the freeze at the wrong end of the negotiations. The Soviet Union does have a decided edge on us and does have, at the moment in strategic weapons, a nuclear—a building, a production capacity greater than ours. They had three assembly lines going. We have none. The last administration closed down the only assembly line for them in 1977.

This—a freeze is just fine. And that's very much a part of START. Once we get down on an equal basis and to a vastly reduced level—and, as you know, the talks that started several months ago, the INF talks in Geneva having to do with the intermediate-range missiles that are aimed against the cities of Europe, while there is nothing to match them until our NATO allies get the Pershing missiles and the cruise missiles from us—and so we've advocated there a total zero base. They eliminate their SS–20's and –4's and –5's; we won't place those Pershings or those cruise missiles.

And, again, I think they came to the table only because they know we're building those Pershings and those cruise missiles and the European allies of ours said that they would station them in their countries. And they accepted our invitation immediately.

But the freeze now, I think, would make this country dangerously vulnerable to nuclear blackmail.

Weapons Policy

Q. Mr. President, David Owen from KCST–TV in San Diego. Did we learn anything in the Falkland Islands or watching the Middle East crisis that would make you want to speed up bolstering our own defenses or change the bolstering of our defenses in any way?

The President. I think there were some things learned about ship construction there. I don't think that it applies to any of our ships. And, with regard to missiles and missile defense, and I know that our people in the Pentagon are studying everything that happened there. I can't say yet that I'm privy to whether there was anything that's really surprised them. I don't know whether there was.

There's a hand way back there.

Trident Submarine

Q. By way of a follow on that, sometime next month, the U.S.S. *Ohio,* the first Trident nuclear submarine, will move into its home base at Bangor, Washington, on Hood Canal, not far from Seattle. What would you say to those individuals who are strongly opposed to such a large and lethal weapons system, not only to it but to the idea of basing it in Seattle's backyard, so to speak?

The President. Well, it's got to be based someplace. [*Laughter*] But I think we've proven over the years that there is no risk—well, you can never say that there is no risk, any kind of accident, sometime or other, could happen. But we've had nuclear-powered vessels. We've had nuclear weapons. We have nuclear weapons being carried airborne and so forth. I can't see that there's a legitimate reason why that should be denied a base.

I think the safety provisions in those weapons has made them virtually fool-proof to any accident. There's quite a procedure that has to take place before they can be detonated. And so I cannot see anything that would cause them to be—they probably have a higher level of safety than normal munitions, explosive munitions, have.

Q. If I could follow on that, what would you say it would take for you to decide that further deployment of the Trident subs would not be necessary?

The President. Well, this is a part of the START talks.

We started with the land-based missiles, because we felt they were the most destabilizing. I can tell you our thinking and why we based the decision, which was my own. The missile is the thing that the person's—the average—when I say destabilizing, the average person can foresee, whether accidentally or not, or inadvertently or not, someone pushes a button and 30 minutes later a city blows up in our country or, if it's the other way, in theirs.

Submarines and airplanes carrying such missiles are conventional type weapons in themselves that have got to put themselves in position. In other words, they can be intercepted and destroyed in normal warfare without that 30-minute doomsday threat. Now, doesn't not mean that they shouldn't be eliminated.

But we've set out first to reduce those destabilizing ballistic missiles and then to reduce the others at the other level. And what we have come up with is a proposal that no more than half of the warheads that each country would have under the terms of this treaty would be land-based. And the other half—surface vessels carry missiles now as well as submarines, on both sides.

But, again, it would depend on these negotiations and this treaty, because I can assure you, the Soviet Union is progressing in the development of nuclear-firing submarines to the point that the latest word we have is one they've built that is as long as one of our aircraft carriers.

This is awful—choosing hands here. I'll come back over here after this one.

Israeli Invasion of Lebanon

Q. Mr. President, you said yesterday that Mr. Begin's pledge to you that came during the meeting last week had been mistakenly reported as a promise that Israel would not invade further into Lebanon, that in fact he had said only that he hoped that Israel would not have to invade further into Lebanon. If that is true, number one, how could that have happened? And number two, why did the erroneous report—why was it allowed to go uncorrected for so long?

The President. On the pledge idea? I didn't know—he had several conversations with other people. And when I first heard that he had made this promise, I was going to check with the State Department to see had he said it there. It turned out that it—and how it could happen was, I think, explainable. It was a case of the second hand repeating—maybe even third hand—within the shop of the conversation that I had had with him, which was a conversation just between the two of us and which he had expressed the fact that he did not want to invade Lebanon. And this had never been his intention—and how the cease-fires kept being broken and so forth and it arrived to that threatening place. And so, as soon as I realized that it was based on my conversation with him, I corrected the fact that, no, he had not promised. He had said that that had not been his intention, and he did not want to if he could avoid it.

Insanity Plea

Q. [*Inaudible*]—KHJ Radio. There's growing criticism against the insanity defense in Federal felony cases. And I was wondering what your feelings are in this area?

The President. Well, if I can dissociate the question from the recent decision and the recent trial[1]—because I don't comment about that—I can honestly say that in legal circles there has been, for some time now, among other criticisms of our justice system, there has been widespread criticism of the use of insanity and the manner in which it is done in trials and whether justice is really done. And I know that now that has stepped up—that conversation. And a number of people in the legal profession and the Justice Department are looking into what could be done to change this perhaps from "not guilty by reason of insanity," to "guilty but insane" and then settle on a proper course following that. The thing that has also caused a lot of criticism is the fact that the ruling placed on the backs of the prosecution the need to prove that someone was sane rather than the other way of proving that he was insane. And, you know, if you start thinking about even a lot of your friends, you have to say, "Gee, if I had to prove they were sane, I'd have a hard job." [*Laughter*]

Economic Recovery Program

Q. Mr. President, you vetoed the housing bill—and I represent KXL in the Pacific Northwest in Portland, Oregon—and that's water over the bridge now. But what sort of aid and comfort can you give to the Pacific Northwest in the areas of timber and housing industry in the light of your veto?

The President. I wish I could promise an instant cure. We believe, however, that our economic program, which is aimed at restoring our economy and getting it going, the things that we've been doing with the budget we believe are all designed to, hopefully, in the coming months get interest rates under control—get them to come down to where they properly should be—and that all this will stimulate.

I can say by way of encouragement, you know it's taken 3 months—the economic indicators 3 months in a row are on the upturn—that you've bottomed out in the recession. We said that we would, at the end of the second quarter, that by that time that in the third and fourth quarters we would be in the recovery stage. We don't think that's going to be a sudden upsurge or a boom, but we do think we're on the way up, and in the month of May housing starts increased by 22½ percent.

We felt that that housing bill that I vetoed when it was tacked onto another measure would be counterproductive—that first of all, by the time that it was implemented and in place that it would be tagging along behind what could be a better recovery, particularly if we can get some drop in interest rates. We felt also that it being a spending program, which would increase the deficit, would send the wrong signal to the money markets, who are the ones who must lower those interest rates, and would send a signal that we were going back to the old-fashioned way of the quick fix—the things that I mentioned in my remarks of government trying to stimulate the ecomomy with government deficit spending, and they would then protect themselves against possible resurgence of inflation by keeping or raising the present interest rates.

I think that we were right in that decision. I also, though, am encouraged—and maybe some of you could with your ability to contact the public—maybe you could start writing and telling some of the stories about various areas in the United States where local banks have gotten together and have put up each one a certain amount of money. It started with automobiles. They put up a certain amount of money and said this money is available as long as it lasts for automobile loans, and they had a figure that was well below the going interest rate.

Now in several areas in the country local banks are doing this with regard to home mortgages and are bringing them down to a few points below the going rate. And I just think the word ought to be spread, because this is where we're going to get the recovery. There's no question but both automobiles and housing, separately or together, can create a recession. And it is a hard-hit industry.

We're encouraged by the upsurge that took place in May. We hope we can keep it going.

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[1] *The President was referring to the trial of John W. Hinckley, Jr., found not guilty by reason of insanity on all charges of shooting President Reagan and three others on March 30, 1981.*

One more. There's a young lady. As long as I have to choose one more, I'll choose the young lady. [*Laughter*]

Israeli Invasion of Lebanon

Q. Thank you, Mr. President. Jeanne Innerson from King Television in Seattle. It was reported today the Egyptian foreign minister said that your administration knew about Israel's pending invasion of Lebanon and didn't do anything about it in return for Israeli promise of support for Mr. Haig's Presidency in 1984. Could you comment on both parts of that question? [*Laughter*]

The President. You say the Egyptian Ambassador said that?

Q. No, it was said by the Egyptian Minister of State for Foreign Affairs today. He also said that it's the widespread perception among Arab countries.

The President. Oh. He needs to be talked to. [*Laughter*] No, and we do know—and this is very troublesome; it's very difficult for me to comment—and I've been grateful that there haven't been more Lebanon questions, because the negotiations are so delicate right now that, as I said last night in the press conference, there's very little that I can answer. But this I can answer.

We know that the Arab States—and many of which we've been trying to establish a bond with them so that we can bring them into the peace-making process with Israel, and we've called it "create more Egypts." This is the only way we're going to settle that particular problem in the Middle East, is if we can get more Arab nations that are willing to come forward as Egypt did and establish a peace treaty, recognize the right of Israel to exist. And we've been doing this.

We're terribly disturbed, because it has come to our attention that for some reason they are convinced that we—if we did not actually connive and give our consent, that we were aware of it and did nothing about it. We were caught as much by surprise as anyone.

We've had Phil Habib[2] there who, as you know—and God bless him, if there's ever a hero—Phil Habib, as you know, created, when we first sent him there, and has kept alive for 11 months until this latest tragedy the cease-fire in the Middle East. He's done a superhuman job. And he's still there and negotiating. And that's why I don't want to do anything to louse up his act.

But we knew that they had gone up to the border as a threat. We knew they'd mobilized; the whole world knew that, and you were all writing and talking about it. And it is true that the PLO from across the border had shelled and rocket-attacked some of the villages in Israel. But when they crossed the border—and presumably to go only 40 kilometers and then form a line to protect their border against these artillery attacks—that was a surprise. Then when they did not stop—and they justified that on the basis that once they tried to stop, they were under attack, and they had to keep pursuing the enemy—no, this was not done with our approval or our consent.

And I will have to say on behalf of Al Haig: Number one, I don't believe he has such ambitions, and, number two, believe me, he's served his country too long to have done anything of that kind. He never would have.

And we're continuing with everything we can do now. We've been 5 days in the present cease-fire, and we're just hanging on that—we can maintain and that the negotiations will be successful. And as I said last night—I'll repeat them—the three goals are: for Lebanon to create a stable government, which they haven't had for 7 years—they've had several factions, each with its own militia—but a single united Lebanese army and government controlling its own territory; guaranteeing the border between Israel—because so far they've had another government and army living within their midst, the PLO—changing that; and then all the other countries getting out of Lebanon. And we're working as hard as we can to that end.

But anything you can all do to convince the Arab States—we're trying our best. But, no, we were not a party to that.

Now I have to—this is the same thing as last night at the press conference. The one thing that I can never get used to is having to walk away from all the hands that were raised and that weren't recognized. And to all of you, I'm sorry, and I apologize. And if every question could be answered yes or no, maybe we could get to all of them, but we can't.

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[2] *The President's emissary in consultations in the Middle East.*

Thank all of you. I appreciate it.

Note: The President spoke at 1:22 p.m. in the Beverly Hills Room at the Century Plaza Hotel. Prior to his remarks, he attended a reception for the editors and broadcasters in the hotel.

Following the question-and-answer session, the President left Los Angeles and went to Rancho del Cielo, his ranch near Santa Barbara, Calif.

Message to the Congress Transmitting the Annual Report of the National Science Foundation

July 1, 1982

To the Congress of the United States:

I am pleased to send you the annual report of the National Science Foundation for fiscal year 1981. It describes research supported by the Foundation in the mathematical, physical, environmental, biological, social, behaviorial, and information sciences and in engineering.

In scientific and engineering research there are surely many exciting developments to report. But, as NSF Director John Slaughter notes in his opening statement to this report, research breakthroughs are "built on thousands of individual research projects done over many years." It is that kind of perseverance that makes our scientific enterprise strong. But such perseverance is necessary because in the long-term our economic growth and productivity, our national security, and the general well-being of our people depend on the new knowledge that results from research.

We do face challenges. But I am optimistic about our ability to meet them. I am confident that the Foundation will maintain its record of excellence in advancing science and technology. I commend its work to you.

RONALD REAGAN

The White House,
July 1, 1982.

Note: The report is entitled "National Science Foundation—Thirty-first Annual Report for Fiscal Year 1981" (Government Printing Office, 127 pages).

Nomination of Everett Alvarez, Jr., To Be Deputy Administrator of Veterans Affairs

July 1, 1982

The President today announced his intention to nominate Everett Alvarez, Jr., to be Deputy Administrator for Veterans Affairs, Veterans Administration. Mr. Alvarez will succeed Charles T. Hagel, who has resigned.

Since July 27, 1981, Mr. Alvarez has been serving as Deputy Director of the Peace Corps. From 1980 to 1981, he was a law clerk with the firm of Finnegan, Henderson, Farabow, Garrett & Dunner of Washington, D.C. He was Assistant Program Manager for the U.S. Navy's A-4 aircraft program from 1976 to 1980.

Mr. Alvarez is a career aviator and was a Navy pilot from 1961 to 1973. He was the longest held prisoner of war in North Vietnam (8½ years). Upon return, he established the Everett Alvarez, Jr., Scholarship Foundation with personal funds raised by lecturing. The foundation is now administered by the University of Santa Clara, California.

Mr. Alvarez was graduated from the University of Santa Clara (B.S., 1960) and Naval Postgraduate School in Monterey, Calif. (M.S., 1976). He will receive his law degree in December 1982 from the Washington National Law Center, George Washington University.

Mr. Alvarez is married, has two children, and resides in Rockville, Md. He was born in Salinas, Calif., on December 23, 1937.

Nomination of Harry M. Singleton To Be an Assistant Secretary of Education

July 2, 1982

The President today announced his intention to nominate Harry M. Singleton to be Assistant Secretary for Civil Rights, Department of Education. He would succeed Clarence Thomas.

Mr. Singleton is currently serving as Deputy Assistant Secretary for Congressional Affairs, Department of Commerce. He was minority chief counsel and staff director, Committee on the District of Columbia, U.S. House of Representatives, in 1979–1981. He was deputy minority counsel, Committee of the District of Columbia, U.S. House of Representatives, in 1977-1979. In 1976–1977, he was an associate with the law firm of Covington & Burling. He was an attorney in the Office of the General Counsel, Legislative Affairs Unit, Federal Trade Commission, in 1975–1976, and was a legislative consultant at the American Enterprise Institute for Public Policy Research in 1975. Prior to that position, he was an associate with the law firm of Houston & Gardner in Washington, D.C.

Mr. Singleton graduated from Johns Hopkins University (B.A., 1971) and Yale Law School (J.D., 1974). He is married, has two children, and resides in Washington, D.C. He was born April 10, 1949.

Nomination of Henry F. Cooper, Jr., To Be an Assistant Director of the United States Arms Control and Disarmament Agency

July 2, 1982

The President today announced his intention to nominate Henry F. Cooper, Jr., to be an Assistant Director of the Arms Control and Disarmament Agency (Bureau of Strategic Programs). He would succeed David Marion Clinard.

Dr. Cooper has been serving as Deputy for the Strategic and Space Systems, Office of the Assistant Secretary of the Air Force for Research, Development and Logistics, since 1979. He was a member of the senior technical staff and program manager or associates program manager of study contracts with the Director of Defense Research and Engineering, the Defense Nuclear Agency, the Advanced Research Projects Agency, the U.S. Air Force, and the Lawrence Livermore Laboratories, for R & D Associates in 1972–1979. He was scientific adviser to the Civil Engineering Division of the Air Force Weapons Laboratory in 1967–1972. He served as Project Officer in the Civil Engineering Division at the Air Force Weapons Laboratory in 1964–1967.

He graduated from Clemson University (B.S., 1958; M.S., 1960) and New York University (Ph. D., 1964). He is married, has three children, and resides in McLean, Va. He was born November 8, 1936.

Nomination of Two Members of the Federal Farm Credit Board
July 2, 1982

The President today announced his intention to nominate the following individuals to be members of the Federal Farm Credit Board, Farm Credit Administration, for terms expiring March 31, 1988.

Tom H. Carothers is a rancher in Palestine, Tex. He is director of the Federal Land Bank Association of Tyler and of the Texas and Southwestern Cattle Raisers Association. He serves as director/secretary-treasurer of the Anderson County Farm Bureau. He is a member and past director of the American Brahman Breeders Association and a member and past chairman, executive committee, of the Build East Texas program. He graduated from Baylor University. He is married and resides in Palestine, Tex. He was born December 17, 1914. He would succeed William Dale Nix, Sr.

Leonard R. Fouts is a farmer in West Point, Ind. He has been serving as chairman of the Lafayette Production Credit Association for 21 years. He is committeeman-vice chairman of the Production Credit Association National Committee. He is a member of the Federal Land Bank Association of Crawfordsville. He is married, has two children, and resides in West Point, Ind. He was born November 19, 1923. He would succeed Melvin R. Bradley.

Appointment of 40 Members of the Advisory Committee on the Arts of the John F. Kennedy Center for the Performing Arts, and Designation of Chairman
July 2, 1982

The President today announced his intention to appoint the following individuals to be members of the Advisory Committee on the Arts (John F. Kennedy Center for the Performing Arts). The purpose of the Committee is to advise and consult the Board of Trustees at the National Cultural Center on existing and prospective cultural activities to be carried at the Center. The President also announced his intention to designate Herb Hutner as Chairman.

Herb Hutner, of Los Angeles, Calif., is a private investment banker. He is a founder of the Los Angeles Music Center; composer member of the ASCAP and director of the United Artists Communications, Inc.

Margaret Archambault, of Chicago, Ill., is active in the United Service Organization. She is a trustee for the Kemper Educational and Charitable Fund, a member of the President's Council of the Museum of Science and Industry, and a member of the Northwestern University Women's Board.

Robert D. Bain, of Bismarck, N. Dak., is president of Bain Insurance, Inc.

Charles Camalier, Jr., of Potomac Falls, Md., is a real estate developer and investor.

Clara Chambers, of Bloomfield Hills, Mich., is finance chairman of kidney research at the University of Miami. She is also a member of the Society of the University Founders of the University of Miami.

Margo Denny, of Anchorage, Alaska, is involved in cultural and civic activities in the community.

William M. Fine, of New York, N.Y., is president of the W.M.F. Fund, Inc. He is also past president of Bonwit Teller and Wamsutta Mills.

Beverly J. Gosnell, of Charleston, S.C., is vice president of Charleston Marine Coal Terminal.

Cynthia Grassey, of Denver, Colo., is finance director of the Colorado State Republican Party.

Karl Halvorson, of Lake Oswego, Oreg., is president of Karl M. Halvorson, Inc.

Martin B. Hoffman, of Needham, Mass., is president of Hoffman Apparel International Corp.

Stephen Jernigan, of Oklahoma City, Okla., is president of Steve Jernigan, Inc.

Gary Kirke, of Des Moines, Iowa, is chairman of the board and chief executive officer of Kirke-Van Orsdel, Inc.

Gary Levine, of Bellevue, Wash., is president and chief executive officer of K and L Distributors, Inc.

John Marsh, of Gainsville, Va., is an owner and breeder of thoroughbred horses.

Alyne Massey, of Nashville, Tenn., is a member of the board of trustees for Vanderbilt University.

Julia M. McCabe, of Wilmington, Del., is a member of the board of trustees of the Delaware Art Museum.

Virginia McCann, of Short Hills, N.J., is involved in civic, cultural, and political activities in the community.

Jim Nelson, of Rapid City, Iowa, is an attorney at law. He is also a former State legislator.

Jeanette Nichols, of Shawnee Mission, Kans., is a leader in civic, cultural, and political activities in the community.

H. Davison Osgood, Jr., of Scarborough, Maine, is an attorney at law.

Voith Penberthy, of Scottsdale, Ariz., is owner of Mountain States Enterprises, Ltd. He is also the former owner of Scottsdale Restaurants, Inc.

John Piercey, of Salt Lake City, Utah, is a lawyer.

Millie Pogna, of Albuquerque, N. Mex., is an educational, cultural, and political leader in the community. She is also a member of the State Board of Education.

Gladys Prescott, of West Palm Beach, Fla., is with David H. Bloodworth, State Attorney. She is a founder and member of the Patrons Guild of the Palm Beach Opera.

Chesley Pruet, of El Dorado, Ark., is president of Pruet Oil.

Ann Rydalch, of Idaho Falls, Idaho, is a procurement analyst for Catalytic, Inc. She is also second vice chairman of the State Republican Party.

Hugh K. Schilling, of St. Paul, Minn., is president of Horton Manufacturing.

William Siems, of Billings, Mont., is a self-employed CPA.

Harriet Slaybaugh, of Montpelier, Vt., is a member of the City Council and the Vermont Republican State Committee. She is also the president of the Vermont Federation of Republican Women.

Mrs. John Slocum, of Newport, R.I., is a Republican leader in the community. She is State cochairman of the Republican Party, as well as cochairman of the Newport City Committee.

Charles C. Spalding, of Honolulu, Hawaii, is a self-employed investor.

Richard Taylor, of Potomac, Md., is a senior member of Steptoe and Johnson.

Dr. Paul Tessier, of New Castle, N.H., is a urologist in Portsmouth, N.H.

James Thompson, of Harrodse Creek, Ky., is chairman and chief executive officer of Glenmore Distillers Co.

Judith Thompson, of Shoal Creek, Ala., is vice president and general counsel of Thompson Tractor, Inc.

Diane Ushinski, of Shaverton, Pa., is a civic and cultural contributor in the community.

Dorothy Vannerson, of Sugarland, Tex., is coowner of Vannerson Insurance.

Joseph Vetrano, of Bristol, Conn., is an international entrepreneur and developer.

Judith Woods, of St. Louis, Mo., is involved in various civic and political activities in the community.

Appendix A—Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this book.

January 2

While at the residence of Walter and Lenore Annenberg in Palm Springs, Calif., the President spoke by telephone with the Vice President and Counsellor to the President Edwin Meese III following the meeting of the Special Situation Group in Washington. They discussed the situation in Poland and other foreign policy matters.

In the afternoon, the President met with Secretary of State Alexander M. Haig, Jr., for a general discussion of foreign policy matters. Following that meeting, the President and the Secretary of State were joined by Deputy Secretary of State William P. Clark and Assistant to the President Michael K. Deaver for a discussion of the upcoming visit to Washington of Chancellor Helmut Schmidt of the Federal Republic of Germany.

January 3

The President left Palm Springs, Calif., and returned to the White House.

January 4

The President held meetings at the White House with members of the White House staff.

January 5

The President met at the White House with:

—members of the White House staff;

—the National Security Council.

The White House announced that the President has accepted, with deep regret, the resignation of Jacob Stein as Special Adviser to the White House.

January 6

The President met at the White House with:

—members of the White House staff;

—the National Productivity Advisory Committee;

—Robert Delano, president of the American Farm Bureau Federation, and Secretary of Agriculture John R. Block.

The White House announced that the President received a preliminary report on the disasters caused by weather in California and other States. The President expressed serious concern about the impact of flooding and severe weather that is causing sudden and unexpected hardship and suffering on the part of the people. He has directed the Federal Government to be able to move with dispatch and is prepared to give urgent consideration to appeals for Federal disaster relief.

January 7

The President met at the White House with:

—members of the White House staff;

—his economic and budget advisers, including Secretary of the Treasury Donald T. Regan, David A. Stockman, Director of the Office of Management and Budget, Murray L. Weidenbaum, Chairman of the Council of Economic Advisers, and members of the White House staff, to discuss the 1983 budget;

—Pete Schabarum, chairman of the Los Angeles County Board of Supervisors;

—Governor Victor Atiyeh of Oregon;

—Ambassador Paul H. Nitze, head of the U.S. Delegation to the Intermediate-Range Nuclear Force Negotiations, who is returning to Geneva for the negotiations with the Soviet Union, Secretary of State Alexander M. Haig, Jr., Deputy Secretary of State William P. Clark, Secretary of Defense Caspar W. Weinberger, and Eugene V. Rostow, Director of the U.S. Arms Control and Disarmament Agency;

—the Cabinet, for an overview of the past year and the current year, a discussion of the budget, and an update on the situation in Poland.

The President declared a major disaster for the State of California as a result of severe storms, mudslides, high tides, and flooding beginning on December 19, 1981, which caused extensive property damage.

The White House announced that the President has invited President Mohamed Siad Barre of the Somali Democratic Republic to visit Washington and meet with him at the White House on March 11. They are expected to discuss bilateral relations as well as other matters of mutual interest.

January 8

The President met at the White House with:

—members of the White House staff;

—his budget and economic advisers, to discuss the 1983 budget;

—Adm. Hyman G. Rickover;

—Walter L. Cutler, U.S. Ambassador to Tunisia, and William Tapley Bennett, Jr., U.S. Permanent Representative to NATO, prior to their departure for their overseas posts;

—the Cabinet Council on Commerce and Trade, to discuss the auto industry.

The President left the White House for a weekend stay at Camp David, Md.

January 10

The President returned to the White House from Camp David, Md.

January 11

The President met at the White House with:

—members of the White House staff;

—the Vice President, Secretary of Health and Human Services Richard S. Schweiker, Secretary of Transportation Drew L. Lewis, and members of the executive committee of the National Conference of State Legislatures;

—Republican leaders of the House of Representatives;

—Governors Bill Clements of Texas and David C. Treen of Louisiana, to discuss natural gas deregulation.

The President attended a reception for members of the Hoover Institution on War, Revolution, and Peace on the State Floor of the White House.

The President granted a recess appointment to Kenneth E. Moffett as Director of the Federal Mediation and Conciliation Service.

January 12

The President met at the White House with:

—members of the White House staff;

—Senior Policy Adviser Melvin L. Bradley and Assistant to the Vice President for Domestic Policy Thaddeus Garrett, to discuss the Internal Revenue Service policy on tax exemptions for private educational facilities;

—Secretary of Housing and Urban Development Samuel R. Pierce, Jr., to discuss the Internal Revenue Service policy on tax exemptions for private educational facilities;

—Governor Carlos Romero Barcello of Puerto Rico, Vice President George Bush, Commissioner Baltasar Corrada, Mayor Hernan Padilla of San Juan, Puerto Rico, and former Governor Luis Ferre of Puerto Rico;

—Senators Robert Dole of Kansas, Charles McC. Mathias, Jr., of Maryland, and Strom Thurmond of South Carolina, and Representative Carroll A. Campbell, Jr., to discuss the Internal Revenue Service policy on tax exemptions for private educational facilities;

—the Cabinet, to discuss Federal labor-management relations.

January 13

The President met at the White House with:

—members of the White House staff;

—the President's Foreign Intelligence Advisory Board.

In an Oval Office ceremony, the President received diplomatic credentials from Ambassadors Dauda Sulaiman Kamara of Sierra Leone, Thomas Klestil of Austria, and Paul Pondi of Cameroon.

The President announced the appointment of E. Pendleton James, Assistant to the President for Presidential Personnel, as a member of the President's Commission on White House Fellowships.

January 15

The President met at the White House with:

—members of the White House staff;

—the Cabinet Council on Human Resources;

—Republican leaders of the Senate.

January 16

The President met at the White House with Secretary of State Alexander M. Haig, Jr.

In the evening, the President attended the Touchdown Club awards dinner at the Sheraton Washington Hotel.

January 18

The President met at the White House with:

—members of the White House staff;

—John Erickson, national chairman, Fellowship of Christian Athletes;

—Mike Mansfield, U.S. Ambassador to Japan;

—Shintaro Abe, Minister of International Trade and Industry of Japan.

January 19

The President met at the White House with members of the White House staff.

January 20

The President met at the White House with:

—members of the White House staff;

—Charles Z. Wick, Robert Gray, and Charles Hagel, who presented the President with his copy of the Satellite Inaugural Balls Book on behalf of the 1981 Presidential Inaugural Committee;

—John Walsh, director of Project HOPE's pharmaceutical drug relief program for Poland, who is leaving today for Poland with a team of physicians, nurses, and technicians;

—a group of administration officials for a meeting on the economic recovery program, including details of the budget and the State of the Union message.

William P. Clark, Deputy Secretary of State and Assistant to the President for National Security Affairs, announced the President's appointment of Robert C. McFarlane as Deputy Assistant to the President for National Security Affairs.

January 21

The President met at the White House with:
- —members of the White House staff;
- —members of the U.S. Chamber of Commerce;
- —Secretary of the Treasury Donald T. Regan, Secretary of Housing and Urban Development Samuel R. Pierce, Jr., and a bipartisan group of local elected officials, to discuss urban affairs, including Federal, State, and local efforts regarding urban redevelopment and the enterprise zone concept and tax incentives for revitalizing blighted and distressed areas;
- —the National Security Council.

The White House announced that the President and Mrs. Reagan will travel to Barbados for the Easter holiday. During their stay, the President will meet with Prime Minister J. M. G. Adams. He is also expected to meet with leaders of other East Caribbean countries. The visit is the result of a longstanding invitation from their good friend, Claudette Colbert, who resides on the island.

January 22

The President met at the White House with:
- —members of the White House staff;
- —Senators Jesse Helms of North Carolina and Thomas F. Eagleton of Missouri, and Representative Charles F. Dougherty of Pennsylvania, members of the Congressional Pro-Life Caucus;
- —a group of leaders of pro-life organizations, to discuss the abortion issue;
- —Franklyn C. (Lyn) Nofziger, who has resigned as Assistant to the President for Political Affairs, for a farewell visit.

The President announced his intention to designate James Eugene Burnett, Jr., as Vice Chairman of the National Transportation Safety Board.

The President left the White House for a weekend stay at Camp David, Md.

January 24

The President returned to the White House following a weekend stay at Camp David, Md.

January 25

The President met at the White House with:
- —members of the White House staff;
- —Senator Charles McC. Mathias, Jr., of Maryland;
- —a group of small business owner-operators.

The President asked the Congress to consider a request for additional appropriation language for the fiscal year 1982 for the Department of Agriculture.

January 26

The President met at the White House with:
- —members of the White House staff;
- —Republican congressional leaders;
- —the Cabinet, for a luncheon meeting on the State of the Union address.

January 27

The President met at the White House with:
- —members of the White House staff;
- —Senator Strom Thurmond of South Carolina and members of the Clemson University football team.

January 28

The President met at the White House with:
- —members of the White House staff;
- —Mayor Margaret Hance of Phoenix, Ariz.;
- —a group of black Republican leaders;
- —the Cabinet Council on Economic Affairs;
- —Ephraim Evron, who is leaving his post as Israeli Ambassador to the United States and returning to Israel, for a farewell visit;
- —the National Security Council;
- —representatives of the National Conference of Republican Mayors and Local Elected Officials;
- —members of the Special Medical Advisory Group of the Veterans Administration.

January 29

The President met at the White House with:
- —members of the White House staff;
- —Juan Antonio Samaranch, president of the International Olympic Committee, and Peter V. Ueberroth, president of the Los Angeles Olympic Organizing Committee;
- —John Jacob, president of the National Urban League;
- —Senator John G. Tower of Texas.

The President transmitted to the Congress a report on the Non-Aligned Countries' communique of September 1981.

The White House announced that the President will travel to Europe in June to participate in meetings with other heads of government and for an audience with His Holiness Pope John Paul II. Mrs. Reagan will accompany the President. The President will travel to Versailles at the invitation of President François Mitterrand to attend the economic summit on June 4–6. In addition to President Reagan and President Mitterrand, there will be heads of government or state from Canada, Italy, the Federal Republic of Germany, Japan, and the United Kingdom, as well as the President of the Commission of the European Communities. The summit representatives will come together primarily to discuss shared economic concerns. The President will then visit Rome on June 7 at the invitation of the Italian

Government. He will have an audience with His Holiness Pope John Paul II. The trip will conclude with the President's attendance at a NATO summit. President Reagan views this meeting as an opportunity for the North Atlantic Alliance to shape its response to this decade's challenges.

February 1

The President met at the White House with:

—members of the White House staff;

—a group of Governors, Members of Congress, and State legislators, to discuss federalism.

The President asked the Congress to consider a request for supplemental appropriations for fiscal year 1982 in the amount of $2,290,490,000 for the Department of Labor. The White House announced that the purpose of the request is to assure that unemployed workers will continue to receive the unemployment insurance benefits due under law and that the supplemental appropriations are required primarily because the unemployment rate has risen to a level higher than the rate that was assumed at the current appropriations level.

February 2

The President met at the White House with:

—members of the White House staff;

—participants in the Senate Youth Program;

—James D. Theberge, U.S. Ambassador to Chile, Gerald E. Thomas, U.S. Ambassador to Guyana, and John H. Reed, U.S. Ambassador to Sri Lanka and the Maldives, prior to their departure for their overseas posts;

—members of the President's Council on Physical Fitness and Sports, for an early evening reception.

In accordance with the requirements of Section 381(c) of the Energy Policy and Conservation Act, the President transmitted to the Congress the 1980 Annual Report on Federal Energy Conservation Programs.

The White House announced that Belgian Prime Minister Wilfried Martens, who will be accompanied by Foreign Minister Leo Tindemans, has accepted the President's invitation to visit Washington. Prime Minister Martens will be meeting with the President on February 17 both in his capacity as Belgian Prime Minister and as the current President of the European Community Council of Heads of Government.

February 3

The President met at the White House with members of the White House staff.

February 4

In the morning, the President and Mrs. Reagan met in the Oval Office with the Italian Ambassador to the United States Rinaldo Petrignani and Mrs. Petrignani and Brigadier General and Mrs. James L. Dozier. General Dozier is Deputy Chief of Staff, Logistics and Administration, Allied Land Forces Southern Europe. He was kidnaped from his Verona, Italy, apartment on December 17, 1981, by members of the Red Brigade and rescued last week by an Italian anti-terrorist squad after 42 days of captivity.

In a ceremony in the Oval Office, the President received the Silver Buffalo Award for distinguished service to youth from representatives of the Boy Scouts of America. The President also received the organization's 1981 Annual Report to the Nation.

The President also met at the White House with:

—the Vice President;

—the National Security Council;

—a group of labor leaders.

The President transmitted to the Congress the Tenth Annual Report on the Administration of the Federal Railroad Safety Act of 1970, in accordance with Section 211 of the Act. The report covers calendar year 1980.

February 5

The President met at the White House with:

—members of the White House staff;

—Senators John H. Chafee of Rhode Island, Ernest F. Hollings of South Carolina, Pete V. Domenici of New Mexico, and Jake Garn of Utah, to discuss the federalism initiative;

—members of the Agricultural Task Force, which was created by the U.S. Agency for International Development at the direction of the President following the Cancún summit talks;

—a group of U.S. Representatives, to discuss the federalism initiative;

—Preston Martin, Vice Chairman of the Board of Governors of the Federal Reserve System.

In a ceremony in the Oval Office, the President received diplomatic credentials from Ambassadors Nicolas Karandreas of Greece, Chitmansing Jesseransing of Maritius, Cedric Hilburn Grant of Guyana, and Julio Sanjines Goitia of Bolivia.

February 8

The President met at the White House with:

—members of the White House staff;

—the bipartisan congressional leadership;

—Republican congressional leaders.

February 10

The President met at the White House with:

—members of the White House staff;

—the National Security Council.

February 11

The President met at the White House with:

—members of the White House staff;

—Senate Majority Leader Howard H. Baker, Jr., Senator Paul Laxalt of Nevada, and House Minority Leader Robert H. Michel;
—the Cabinet Council on Economic Affairs, to discuss housing and employment training;
—the Vice President, for lunch;
—members of the National Association of Counties and other county officials, to discuss the federalism initiative;
—Roy Williams, president of the International Brotherhood of Teamsters;
—Gen. Jarl Wahlstrom, international leader of the Salvation Army.

The White House confirmed that Myer Rashish, Under Secretary of State for Economic Affairs, submitted his resignation to the President, effective January 20.

The White House announced that President João Baptista de Oliveira Figueiredo of Brazil has accepted President Reagan's personal invitation for a state visit to Washington, beginning on May 11. The visit will provide an opportunity for President Reagan and President Figueiredo to become acquainted personally and to exchange views on a broad range of bilateral, hemispheric, and global developments.

February 12

The President met at the White House with:
—members of the White House staff;
—administration spokesmen;
—Keith L. Brown, U.S. Ambassador to Lesotho, Michael H. Armacost, U.S. Ambassador to the Philippines, and Fred J. Eckert, U.S. Ambassador to Fiji, prior to their departure for their overseas posts.

The White House announced that the President will visit London, England, and Bonn, Federal Republic of Germany, during his trip to Europe in June. This is in addition to his attendance at the economic summit at Versailles, France, his visit to Rome, Italy, and his audience with His Holiness Pope John Paul II, which were announced on January 29. Mrs. Reagan will accompany the President. The President will visit the United Kingdom at the invitation of Queen Elizabeth II and Prime Minister Margaret Thatcher from June 7 to June 9. He will visit Bonn on June 10 to participate in a meeting of the North Atlantic Treaty Organization at the invitation of Chancellor Helmut Schmidt.

The President announced that he has accorded the personal rank of Ambassador to Richard Fairbanks in his capacity as Special Adviser to the Secretary of State.

The President left the White House for a weekend stay at Camp David, Md.

February 14

The President returned to the White House following a weekend stay at Camp David, Md.

February 15

The President held separate meetings at the White House with Secretary of State Alexander M. Haig, Jr., and Secretary of Defense Caspar W. Weinberger. Secretary Haig reported to the President on his trip to Europe and North Africa, and Secretary Weinberger reported on his recent trip to the Middle East. The President also attended a meeting with administration officials to discuss foreign policy issues.

The President also met at the White House with Paul A. Volcker, Chairman of the Board of Governors of the Federal Reserve System.

February 16

The President met at the White House with:
—members of the White House staff;
—Maj. Gen. Evan Hultman, president of the Reserve Officers Association;
—Jack Flynt, national commander of the American Legion;
—Secretary of Housing and Urban Development Samuel R. Pierce, Jr., to discuss housing.

In a ceremony in the Oval Office, the President received diplomatic credentials from Ambassadors Bernard Vernier-Palliez of France, Francisco Fiallos Navarro of Nicaragua, Franklin Baron of Dominica, and Moshe Arens of Israel.

The White House announced that the President requested Congress to provide an additional $283.3 million in fiscal year 1983 for the Department of Labor to fund more staff for State employment service offices. This request is an extension of the President's February 1 request to the Congress for a supplemental appropriation to provide an increase in staff for the employment service in 1982 over the level that could be supported under the continuing resolution. Taken together, these two requests will assure adequate staff to provide job-finding assistance to the unemployed and to administer the work search requirements for unemployment insurance claimants. This amended budget request would provide a 7,900 increase (from 13,900 to 21,800) in staff over the level provided in the 1983 budget.

February 17

The President met at the White House with members of the White House staff.

February 18

The President met at the White House with:
—members of the White House staff;

—members of the board of directors of the National Association of Towns and Townships.

In accordance with Section 411(c) of the Trade Act of 1974, as amended (19 U.S.C. 2441), the President transmitted to the Congress the quarterly report on East-West trade covering the second quarter of 1981. The report discusses U.S. trade relations with the Soviet Union, the People's Republic of China, and the Eastern European countries.

February 19

The President met at the White House with:
—members of the White House staff;
—representatives of Big Brothers/Big Sisters;
—the National Security Council.

February 21

The President attended services at Christ Church in Alexandria, Va., as part of the observance of the 250th anniversary of the birth of George Washington.

February 22

The President met at the White House with:
—members of the White House staff;
—members of the executive committee of the George Washington Masonic Memorial Association;
—Secretary of State Alexander M. Haig, Jr., and Ambassador Philip C. Habib, the President's emissary in consultations in the Middle East;
—Governors attending the Washington, D.C., meeting of the National Governors' Association.

February 23

The President met at the White House with:
—members of the White House staff;
—Secretary of State Alexander M. Haig, Jr., and Republican leaders of the Senate and House of Representatives, to discuss the fiscal year 1983 budget and the Caribbean Basin Initiative;
—representatives of the Capitol Historical Society;
—representatives of AMVETS (American Veterans of World War II, Korea & Vietnam), who presented the President with the organization's Gold Helmet Award;
—Masumi Esaki, special trade representative from Japan;
—the Cabinet Council on Food and Agriculture, to discuss agricultural export policies;
—Governor Bill Clements of Texas.

The President transmitted to the Speaker of the House of Representatives and the chairman of the Senate Committee on Foreign Relations a report prepared by the Department of State concerning international agreements.

February 24

The President met at the White House with:
—members of the White House staff;
—bipartisan congressional leaders;
—bipartisan congressional committee chairmen and ranking minority members.

February 25

The President met at the White House with:
—members of the White House staff;
—Senate Majority Leader Howard H. Baker, Jr., and House Minority Leader Robert H. Michel, to discuss the legislative agenda;
—the Vice President, for lunch;
—the National Security Council;
—Members of Congress;
—Republican members of the House Ways and Means Committee;
—the Cabinet.

February 26

The President met at the White House with:
—members of the White House staff;
—pilots and paramedics of the U.S. Park Police Aviation Section, including Donald Usher and Gene Windsor, who were involved in the rescue efforts for the survivors of the Air Florida airplane crash in Washington, D.C., on January 13;
—the National Security Council.

The President attended a dinner sponsored by the Conservative Political Action Conference, 1982, at the Mayflower Hotel.

March 1

The President met at the White House with:
—members of the White House staff;
—members of the President's Economic Policy Advisory Board;
—members of the board of directors of the National League of Cities;
—Republican members of the Senate Finance Committee;
—former Secretary of State William P. Rogers, to discuss plans for Afghanistan Day.

The President designated Cathie A. Shattuck as Acting Chairman of the Equal Employment Opportunity Commission, effective March 4. She was nominated on December 8, 1981, to be a member of the Commission.

March 2

The President transmitted to the Congress the 14th annual report of the Department of Transportation.

The President left the White House for his trip to Wyoming, New Mexico, and California.

March 5

The White House announced that at the invitation of the President, President François Mitterrand of France will make a working visit to Washington on March 12. French Foreign Minister Claude Cheysson and Secretary of State Alexander M. Haig, Jr., will participate in the discussions.

March 8

The President left Rancho del Cielo, his ranch near Santa Barbara, Calif., and returned to the White House.

March 9

The President met at the White House with:
—members of the White House staff;
—Foreign Minister Hans-Dietrich Genscher of the Federal Republic of Germany.

The White House announced additional details of the President's visit to the Caribbean area in early April. On April 8, the President will meet with the Prime Minister of Barbados, J. M. G. Adams, and other Eastern Caribbean leaders to continue discussions of common problems facing countries concerned with the Caribbean region. In addition to the President's visit to Barbados, he will visit Jamaica on April 7, where he will meet with Prime Minister Edward Seaga, who was the first foreign leader to visit the President following his inauguration. Among other issues, they will discuss the activities of the United States Business Committee on Jamaica. Mrs. Reagan will accompany the President, and they will return to Washington on April 11.

March 10

The President met at the White House with:
—members of the White House staff;
—the Cabinet Council on Human Resources.

In the evening, the President attended a performance of the Joffrey Ballet at the John F Kennedy Center for the Performing Arts.

March 11

The President met at the White House with:
—members of the White House staff;
—President Mohamed Siad Barre of Somalia;
—members of the National Black Caucus of Local Elected Officials, the National Conference of Black Mayors, and the National Association of Black County Officials;
—Governor James A. Rhodes of Ohio.

In accordance with the requirements of Subtitle H of Title V of the Energy Security Act (42 U.S.C. 8286b), the President transmitted to the Congress the first annual report, covering calendar year 1980, on the Federal coordination of factors and data used in the development of building energy conservation standards. The report was prepared by the Department of Energy.

The President announced that the Vice President will travel to the Pacific area in late April and early May. The Vice President has accepted the invitation of Prime Minister Malcolm Fraser to visit Australia for talks and to commemorate the 40th anniversary of the Battle of the Coral Sea and the 30th anniversary of the ANZUS Treaty. The Vice President also has accepted the invitation of Prime Minister Robert Muldoon to visit New Zealand for talks and to stress the importance of the ANZUS alliance. He will reaffirm the close ties of the United States with both countries. The Vice President also will make other stops on this trip, but the details have not yet been worked out.

March 12

The President met at the White House with:
—members of the White House staff;
—chief executive officers of the Business Roundtable, including Clifton Garvin, Ruben Mettler, Robert Baldwin, Robert Kilpatrick, Theodore Brophy, and John Post.

The White House announced details of the previously announced visit to the United States of President Alessandro Pertini of Italy. The dates of the visit will be March 24 to April 1. President Pertini will meet with President Reagan on March 25 and be honored at a state dinner that evening.

The President left the White House for a weekend stay at Camp David, Md.

March 14

The President returned to the White House following a weekend stay at Camp David, Md.

March 17

The President met at the White House with:
—members of the White House staff;
—a group of leaders of the California beef cattle industry.

The White House announced that the President has designated Gerald P. Carmen, Administrator of General Services, as a member of the Property Review Board.

March 18

The President met at the White House with:
—members of the White House staff;
—the Cabinet;
—Mexican Ambassador to the United States Hugo B. Margain;
—Ambassador Philip C. Habib, the President's emissary in consultations in the Middle East;
—Bavarian Minister-President and Christian Social Union leader Franz-Josef Strauss of the Federal Republic of Germany;

—Senators Howard H. Baker, Jr., and James A. McClure;

—Representatives James T. Broyhill, Clarence J. Brown, and Tom Corcoran;

—members of the Republican Congressional Leadership Council, for an early evening reception.

In the afternoon, the President met with a group of black editors in Room 450 of the Old Executive Office Building.

The President asked the Congress to consider requests for supplemental appropriations for fiscal year 1982 totaling $17.2 million for the following purposes:

—$6.6 million for the Department of Education to meet the increased cost of Pell Grant application processing and to expand the validation procedures on these student assistance grant applications;

—$8.3 million for the Department of the Treasury to fund an anticrime task force which would operate in south Florida under the leadership of Vice President Bush;

—$2.3 million for the Merit Systems Protection Board to meet the costs of processing and adjudicating Federal employee appeals on a timely basis and to meet the resulting increase in administrative costs.

March 19

The President met at the White House with:

—members of the White House staff;

—representatives of the National Forest Products Association and National Association of Home Builders;

—Adm. James Gracey, Commandant of the U.S. Coast Guard.

The White House announced that the President will meet Bermudan Premier John W. D. Swan on March 22. The Premier will be making a private visit to Washington. This will be the first time President Reagan has met Premier Swan, who assumed office in January 1982.

The President left the White House for a weekend stay at Camp David, Md.

March 20

The President declared a major disaster for the State of Indiana as a result of severe storms and flooding, beginning on or about March 12, which caused extensive property damage.

March 21

The President returned to the White House following a weekend stay at Camp David, Md.

The President spoke by telephone to space shuttle *Columbia* astronauts Jack R. Lousma and C. Gordon Fullerton in Cape Canaveral, Fla., prior to the March 22 launch of the shuttle's third flight.

March 22

The President met at the White House with:

—members of the White House staff;

—the Vice President, Secretary of Agriculture John R. Block, and members of congressional agricultural committees;

—Foreign Minister Yoshio Sakurauchi of Japan;

—members of the Consumer Product Safety Commission and the Poison Prevention Week Council, to mark the beginning of Poison Prevention Week, 1982;

—Premier John W. D. Swan of Bermuda;

—the Presidential Advisory Committee on Federalism.

March 23

The President met at the White House with:

—members of the White House staff;

—the Cabinet Council on Commerce and Trade.

March 24

The President met at the White House with:

—members of the White House staff;

—State and local officials, to discuss enterprise zone legislation;

—former President Gerald R. Ford;

—the Cabinet Council on Legal Affairs, to discuss drug enforcement.

March 25

The President met at the White House with:

—members of the White House staff;

—Minister of Foreign Relations Bernd Niehaus Quesada of Costa Rica, Minister of Foreign Affairs Fidel Chávez Mena of El Salvador, and Secretary of State for Foreign Affairs César Elvir Sierra of Honduras;

—the National Security Council.

The President has designated Benjamin F. Baer as Chairman of the United States Parole Commission.

The President announced that the Vice President will visit Japan, Korea, and Singapore in late April. He also will visit Australia and New Zealand. The Vice President is visiting these countries at the invitation of Prime Minister Zenko Suzuki of Japan, Prime Minister Chang Soon Yoo of the Republic of Korea, and Prime Minister Lee Kuan Yew of Singapore. The Vice President looks forward to this opportunity to reaffirm the close and abiding friendship the United States enjoys with each of these three countries. The discussions with the Japanese, Korean, and Singapore leaders will center on significant matters of mutual interest.

March 26

The President met at the White House with:

—members of the White House staff;

—the Cabinet;

—Secretary of State Alexander M. Haig, Jr.

The President requested the Congress to provide $350 million in fiscal year 1982 to help implement his Caribbean Basin policy. These funds would go to countries threatened by severe economic problems, outside intervention in domestic political affairs, and uncontrolled internal violence. The funds would be distributed as follows: $128 million for San Salvador, $70 million for Costa Rica, $50 million for Jamaica, $40 million for the Dominican Republic, $35 million for Honduras, $10 million for Belize, $5 million for Haiti, and $12 million for regional programs.

March 27

The White House announced that the President has declared a major disaster for the State of Ohio as a result of severe storms and flooding beginning on or about March 12, which caused extensive property damage.

In the evening, the President attended the annual Gridiron Dinner at the Capital Hilton Hotel.

March 29

The President met at the White House with:

—members of the White House staff;

—representatives of the National Association of Attorneys General;

—Muhammad 'Abd al-Halim Abu Ghazala, Minister of Defense of Egypt.

The President asked the Congress to consider a request for supplemental appropriations for fiscal year 1982 in the amount of $97,400,000 and an amendment to the request for appropriations for the fiscal year 1983 in the amount of $310,900,000 for atomic defense activities.

The President declared a major disaster for the State of Michigan as a result of severe storms and flooding beginning on or about March 12, which caused extensive property damage.

March 30

The President met at the White House with:

—members of the White House staff;

—the Cabinet Council on Human Resources;

—Shlomo Goren, Chief Rabbi of Israel.

The President held separate meetings at the White House with the following Members of Congress:

—Senators Henry M. Jackson of Washington and John W. Warner of Virginia, to discuss their resolution concerning nuclear arms control;

—Representatives Cleve Benedict of Wyoming, William Carney of New York, Judd Gregg of New Hampshire, Clay Shaw of Florida, Mark Siljander of Michigan, and David M. Staton of West Virginia;

—Representatives Lynn M. Martin and Tom Railsback of Illinois;

—Representative James Coyne of Pennsylvania;

—Senator Strom Thurmond of South Carolina, who was accompanied by Paddy Boyd, Mrs. America.

March 31

The President met at the White House with:

—members of the White House staff;

—Secretary of State Alexander M. Haig, Jr., Ambassador Paul H. Nitze, head of the U.S. Delegation to the Intermediate-Range Nuclear Force Negotiations, and Eugene V. Rostow, Director of the United States Arms Control and Disarmament Agency, to discuss the progress of the INF talks in Geneva;

—Senator Nancy L. Kassebaum, Representatives Robert Livingston and John P. Murtha, Richard Scammon, an electoral analyst, and Howard Penniman of the American Enterprise Institute, who reported to the President on their trip to El Salvador to observe the elections in that country;

—Arthur J. Fellwock, national commander in chief of the Veterans of Foreign Wars, and Voice of Democracy scholarship program winners.

In a ceremony in the Oval Office, the President met with Clifford M. Clarke, president of the Arthritis Foundation, and Amy and Lisa Keen, 5-year-old identical twins from Dorothy, N.J., the foundation's poster children, to launch preparations for Arthritis Month in May.

April 1

The President met at the White House with:

—members of the White House staff;

—representatives of the thrift industry;

—the Vice President;

—Members of Congress.

April 2

The President met at the White House with:

—members of the White House staff;

—the Cabinet Council on Legal Policy;

—Senator Paul Laxalt of Nevada;

—members of the United States-Canada International Joint Commission.

In a ceremony in the Roosevelt Room, the President signed H.R. 4482, the Federal Courts Improvement Act of 1982. Participants in the ceremony included Secretary of the Treasury Donald T. Regan, Attorney General William French Smith, Secretary of Commerce Malcolm Baldrige, judges of the U.S. Court of Claims and the U.S. Court of Customs and Patent Appeals, Members of the Congress, and other administration officials. The act establishes the U.S. Court of

Appeals for the Federal Circuit and the U.S. Claims Court.

April 3

Following his radio address to the Nation on the program for economic recovery, the President left the White House for an overnight stay at Camp David, Md.

April 4

The President returned to the White House from Camp David, Md.

April 5

The President met at the White House with:
—members of the White House staff;
—freshman Republican Members of the House of Representatives.

The President telephoned Catherine Filene Shouse at the Wolf Trap Farm Park to express his sorrow at the damage done by fire to the Filene Center on April 4. He said that he had instructed the Department of the Interior and the National Endowment for the Arts to look into the matter and see if they could be helpful.

April 6

The President met at the White House with:
—members of the White House staff;
—the Vice President, for lunch.

April 7

The President left the White House for a trip to Kingston, Jamaica, and Bridgetown, Barbados.

April 9

The President declared a major disaster for the State of Texas as a result of severe storms and tornadoes, beginning on April 2, which caused extensive property damage.

April 11

The President and Mrs. Reagan attended Easter services at St. James Parish Church in Bridgetown, Barbados. Following a brunch at the home of Claudette Colbert, the President and Mrs. Reagan left Barbados and returned to the White House.

April 12

The President met at the White House with:
—members of the White House staff;
—a group of Jewish leaders, including Al Speigel, Max Fisher, George Klein, Richard Fox, Gordon Zacks, and Lawrence Weinberg.

The President and Mrs. Reagan went to the South Lawn of the White House to greet the children who were participating in the annual White House Easter Egg Roll.

The President declared an emergency for the State of Mississippi as a result of severe storms and tornadoes on April 3, which caused extensive property damage.

In a ceremony in the Oval Office, the President received diplomatic credentials from Ambassadors Edmund Andrew Marshalleck of Belize, Rene Amany of the Ivory Coast, Edmund Hawkins Lake of Antigua and Barbuda, and Baernardo Sepulveda Amor of Mexico.

The White House announced that the President has invited Prime Minister Mohamed Mzali of Tunisia to pay an official working visit to Washington from April 26 to April 30 as a mark of the friendship between the United States and Tunisia. The President will meet with the Prime Minister to discuss bilateral and regional issues on April 29. The Prime Minister will meet with other officials of the administration as well as Members of the Congress during his visit.

April 13

The President met at the White House with:
—members of the White House staff;
—the Cabinet Council on Food and Agriculture;
—Dr. Henry A. Kissinger and a group of industrial and financial leaders, including David Rockefeller, Lawrence Brainard, William D. Rogers, Willard Butcher, George Shultz, Elvis L. Mason, Edmund W. Littlefield, Walter Wriston, and Peter Peterson.

The White House announced that the President has requested the Congress to provide supplemental appropriations for the fiscal year 1982 totaling $6.3 billion and amended budget requests for fiscal year 1983 totaling nearly $5 billion. The major items included in this request are:
—$6.1 billion in 1982 to meet the unabsorbed cost of the October 1981 Federal pay raise. The 1983 budget provided an adequate allowance for these pay raise requests so the estimates contained in that budget remain essentially unchanged by this request.
—$115.5 million in 1982 for international security assistance to be used for military assistance to Sudan and the Caribbean Basin countries and to provide increased military training to various countries.
—$5 billion in 1983 for the Department of Agriculture's Commodity Credit Corporation to enable the Corporation to continue to make loans and payments to farmers.
—Also included are requests for appropriations and appropriations language changes for the legislative branch, the judiciary, the Departments of Commerce, Defense, Health and Human Services, Justice, State, Treasury, and various independent agencies.

In the evening, the President attended a reception in the Blue Room for the Eureka College Fund Group.

April 14

The President met at the White House with:
- —members of the White House staff;
- —Secretary of State Alexander M. Haig, Jr., who reported on his recent meetings in Buenos Aires and London concerning the dispute between the United Kingdom and Argentina in the Falkland Islands.

April 15

The President transmitted to the Congress the budget of the District of Columbia for fiscal year 1983.

April 16

The President met at the White House with:
- —members of the White House staff;
- —the National Security Council;
- —the Cabinet Council on Legal Policy, to discuss pending legislation on immigration policy;
- —a group of representatives of independent regulatory agencies.

Late in the afternoon, the President attended a reception in the East Room for the Eagles, a group of contributors to the Republican Party.

April 17

The President spoke by telephone with Prime Minister Margaret Thatcher of the United Kingdom to discuss her country's dispute with Argentina in the Falkland Islands.

The White House announced that the President has designated Patricia A. Goldman as Vice Chairman of the National Transportation Safety Board.

The President left the White House for an overnight stay at Camp David, Md.

April 18

The President returned to the White House from Camp David, Md.

April 19

The President met at the White House with members of the White House staff.

April 20

The President met at the White House with:
- —members of the White House staff;
- —Republican congressional leaders;
- —Secretary of State Alexander M. Haig, Jr.;
- —the Cabinet Council on Economic Affairs;
- —the National Security Council;
- —Senator Nicholas Brady, newly sworn in to fill the vacancy created by the resignation of Senator Harrison A. Williams, Jr., of New Jersey.

April 21

The President met at the White House with:
- —members of the White House staff;
- —the National Security Council;
- —the Vice President, for lunch.

The President and Assistant to the President James A. Baker III went to Quantico Marine Base, Va., for several hours of horseback riding.

April 22

The President met at the White House with members of the White House staff.

The President declared a major disaster for the State of Hawaii as a result of severe storms and flooding, beginning on March 30, which caused extensive property damage.

April 23

The President met at the White House with:
- —members of the White House staff;
- —representatives of the National Conference of Lieutenant Governors;
- —the Cabinet.

April 24

The President declared an emergency for the State of Arkansas as a result of severe storms and tornadoes on April 2, which caused extensive property damage.

The President declared a major disaster for the State of California as a result of fires beginning on April 21, which caused extensive property damage.

In the evening, the President attended the annual White House Correspondents Association dinner at the Washington Hilton Hotel.

April 26

The President met at the White House with:
- —members of the White House staff;
- —the Cabinet Council on Food and Agriculture to discuss the dairy surplus.

The President transmitted to the Congress the 1981 annual report on the operation of the Alaska Railroad and the fifth annual report of the National Institute of Building Sciences.

In the evening, the President attended a reception in the Residence for Hawaii Republicans.

April 27

The President met at the White House with:
- —members of the White House staff;
- —the National Security Council;
- —John Felder, president, Ted Kennedy, past president, Hubert L. Harris, Jr., executive vice president, and Michael Schoor, director

of government relations, the Associated Builders and Contractors.

The White House announced that the United States Government and the Chinese Government have agreed that in early May, at the end of his trip to other countries in East Asia, Vice President George Bush will visit China for talks with Chinese leaders. The visit to Peking is an indication of the great importance we place on our relations with China and of our desire to further understanding between our two Governments at the highest levels. The purpose of the visit will be to exchange views on matters of mutual interest, including both international and bilateral issues. The exact dates have not been fixed, but the visit will probably take place some time between May 5 and May 9.

April 28

The President met at the White House with members of the White House staff.

The President went to Capitol Hill to meet with Senate Majority Leader Howard H. Baker, Jr., and Speaker Thomas P. O'Neill, Jr., on the budget. The meeting in the President's Room in the Senate Chamber was also attended by Counsellor to the President Edwin Meese III, Assistant to the President James A. Baker III, Secretary of the Treasury Donald T. Regan, David A. Stockman, Director of the Office of Management and Budget, Senator Paul Laxalt, and Representatives Richard Bolling and Jim Wright.

The White House announced that in conjunction with his participation in the meeting of the North Atlantic Council on June 9–10, in Bonn, the President has accepted an invitation of Chancellor Helmut Schmidt to visit the Federal Republic of Germany. The President will meet with Chancellor Schmidt, President Karl Karstens, and will address the Bundestag. Following his visit to Bonn, the President will also visit Berlin.

The White House announced that the President has designated Edwin L. Harper, Assistant to the President for Policy Development, as Chairman of the Property Review Board.

April 29

The President met at the White House with members of the White House staff.

The President transmitted to the Congress the 16th annual report of the National Endowment for the Humanities for fiscal year 1981.

April 30

The President met at the White House with:
—members of the White House staff;
—the National Security Council;
—Senators Pete V. Domenici, Robert Dole, and Paul Laxalt, and Representatives Robert H. Michel, Barber B. Conable, Jr., and Delbert L. Latta, to discuss the budget;
—Governor John Spellman of Washington, to discuss economic problems in the State;
—poster children for Better Hearing and Speech Month;
—members of the Advisory Committee on Small and Minority Business Ownership.

The White House announced that the President has invited Prime Minister John Malcolm Fraser of Australia to meet with him in Washington on May 17. During his visit, the Prime Minister and the President will discuss international developments of mutual concern. They last met in Washington on June 30, 1981.

May 3

The President met at the White House with:
—members of the White House staff;
—the National Security Council;
—the Cabinet;
—Attorney General William French Smith and members of the White House staff, to discuss legislation extending the Voting Rights Act of 1965;
—Republican leaders of the Senate and House of Representatives;
—Republican members of the Senate Budget Committee.

May 4

The President met at the White House with:
—members of the White House staff;
—the Cabinet;
—Republican members of the House Budget Committee.

May 5

The President met at the White House with:
—members of the White House staff;
—former Secretary of the Treasury George P. Shultz;
—national broadcasting representatives of the President's Task Force on Private Sector Initiatives;
—former Secretary of the Treasury John B. Connally.

The White House announced that the President has chosen the following delegation to represent him at the inauguration of Luís Alberto Monge as President of Costa Rica in San Jose on May 8:

The Secretary of Agriculture and Mrs. John R. Block, head of delegation;

Ambassador Francis J. McNeil, Ambassador to Costa Rica;

Ambassador Thomas O. Enders, Assistant Secretary of State for Inter-American Affairs;

Jose Manuel Casanova, U.S. Executive Director at the Inter-American Development Bank;

Russell E. Marks, Jr., president of the Americas Society;

Representative Benjamin A. Gilman of New York;

William McCann, president, Foundation Life Insurance Co. of America;

Jimmy Lyon, chairman of the board and chief executive officer, River Oaks Bank and Trust, Houston, Tex.;

Mayor Vincent A. Cianci, Jr., of Providence, R.I.;

Humberto Quinones, Jr., Cuban-American businessman;

Doug Morrow, screenwriter in Los Angeles, Calif.

May 6

The President met at the White House with:

—members of the White House staff;

—Spanish Minister of Foreign Affairs José Pedro Pérez Llorca;

—the Cabinet.

The President transmitted to the Congress the 1981 annual report of the Federal Prevailing Rate Advisory Committee and the annual report of the Commodity Credit Corporation for fiscal year 1981.

The President and Mrs. Reagan hosted a reception for State and local officials on the State Floor of the White House.

May 7

The President met at the White House with:

—members of the White House staff;

—a group of Republican Members of the Senate and House of Representatives.

May 10

The White House announced that the President called Sugar Ray Leonard, world welterweight boxing champion, at Johns Hopkins Hospital in Baltimore, Md., and spoke to him for a few minutes to convey his good wishes as Mr. Leonard recovers from surgery. The President conveyed his hope that Mr. Leonard's career will continue, and Mr. Leonard expressed his appreciation to the President for his call and concern.

May 11

The President met at the White House with members of the White House staff.

The President met with the following groups to discuss the Senate Budget Committee compromise package on the Federal budget:

—chief executive officers of small business organizations;

—representatives of national trade associations;

—representatives of business organizations.

The President hosted a luncheon in the Family Dining Room at the White House for a group of Soviet emigres and exiles.

The President declared a major disaster for the State of North Dakota as a result of flooding, beginning on February 19, which caused extensive property damage.

May 12

The President met at the White House with:

—members of the White House staff;

—Nancy Ray and Louis Unser, National Multiple Sclerosis Mother and Father of the Year, and members of their families, and Frank Sinatra, national campaign chairman, and Sylvia Lawry, founder and executive director, National Multiple Sclerosis Society;

—the Vice President and Secretary of State Alexander M. Haig, Jr., to review the Vice President's trip to the Far East;

—a group of financial consultants and money market fund managers, to discuss the Senate Budget Committee package on the Federal budget.

The White House announced that the President has invited His Majesty King Hassan II of Morocco to pay an official working visit to Washington from May 18 to May 21 for discussions of bilateral relations and a review of international issues of mutual concern. The President will meet His Majesty on May 19 and host a luncheon in his honor following the meeting.

May 13

The President held a breakfast meeting with President João Baptista de Oliveira Figueiredo of Brazil.

The President met at the White house with:

—representatives of commercial banks, to discuss the Senate Budget Committee package on the Federal budget;

—the President's Foreign Intelligence Advisory Board.

May 14

The President left the White House for a trip to Pennsylvania.

May 15

The President met at the White House with:

—former Secretary of the Treasury George P Shultz;

—Ambassador Philip C. Habib, the President's emissary in consultations in the Middle East.

The White House announced that the President has designated the following individuals to be members of the United States Presidential Delegation to commemorate the Centennial of United States-Korean Relations. The delegation will take part in a groundbreaking for the Centennial Memorial at Inchon, Republic of Korea, on May 22. The members of the delegation are:

Gen. Lyman L. Lemnitzer (USA-Ret.), head of delegation;

Ambassador and Mrs. Richard L. Walker, U.S. Ambassador to Korea;

Representative and Mrs. Samuel S. Stratton of New York;

Representative and Mrs. Robert E. Badham of California;

Representative and Mrs. William M. Thomas of California;

Gen. and Mrs. Richard G. Stilwell (USA-Ret.), Deputy Under Secretary of Defense for Policy;

Ambassador and Mrs. Richard Sneider, former U.S. Ambassador to Korea;

Senator Donald E. Lukens, State senator from Ohio;

Mayor Margaret T. Hance of Phoenix, Ariz.;

Dr. W. Glenn Campbell, director, Hoover Institution, Stanford University, Calif.;

Mrs. Anna Chennault, president, TAC International, Washington, D.C.;

Dr. and Mrs. Lev E. Dobriansky, professor of economics, Georgetown University, Washington, D.C.;

Mrs. Guadalupe F. Hinckle, member, American Delegation to the Korean-American Cultural Exchange Committee, Los Angeles, Calif.;

Mr. and Mrs. Insoo Hwang, professor of physical education, Yale University, New Haven, Conn.;

Mr. and Mrs. Sammy Y. Jung, president, Western American Trading Co., Inc., Las Vegas, Nev.;

Kyonshill Connie Kang, reporter, San Francisco Examiner, San Francisco, Calif.;

Dr. and Mrs. Ernest Lefever, president, Ethics and Public Policy Center, Washington, D.C.;

Mr. Preston Long, member, American Delegation to the Korean-American Cultural Exchange Committee, New York, N.Y.;

Mr. and Mrs. Jacques Torczyner, member, World Zionist Organization, New York, N.Y.;

Mrs. Dorothy J. Tyson and Mr. Tyson, member, American Delegation to the Korean-American Cultural Exchange Committee, San Diego, Calif.;

Mr. and Mrs. Chester R. Upham, Jr., owner, Upham Oil and Gas Co., Mineral Wells, Tex.

May 17

The President met at the White House with:
—members of the White House staff;
—the Cabinet Council on Economic Affairs.

The President presented the 1982 Recording for the Blind Scholastic Achievement Awards to Cheryl Orgas, Nigel Ricards, and Timothy Walsh in a ceremony in the Rose Garden at the White House.

The President reappointed Robert Anderson as United States National Chairman for United Nations Day.

May 18

The President met at the White House with:
—members of the White House staff;
—the Cabinet Council on Economic Affairs;
—Secretary of Defense Caspar W. Weinberger and the Joint Chiefs of Staff, for lunch;
—Walter Alston and Al Lopez, the two managers of the First Annual Old Timers Baseball Classic, to be played July 19 at R. F. K. Stadium in Washington, D.C.

May 19

The President met at the White House with:
—members of the White House staff;
—the Federal Council on the Aging.

May 20

The President met at the White House with:
—members of the White House staff;
—the President's Economic Policy Advisory Board;
—the Cabinet, for a working luncheon.

May 21

The President met at the White House with:
—members of the White House staff;
—the National Security Council.

May 22

The White House announced that the President has invited Prime Minister Indira Gandhi of India to pay an official visit to the United States. The Prime Minister has accepted and will meet with the President in Washington on July 29.

May 24

The President met at the White House with:
—members of the White House staff;
—the National Security Council;
—the Cabinet Council on Legal Policy.

May 25

The President met at the White House with:
—members of the White House staff;
—the Republican congressional leadership.

The President left the White House and went to California, where he stayed until May 30.

The White House announced that the President is transmitting to the Speaker of the House of Representatives requests for supplemental appropriations for fiscal year 1982 totaling $83,083,000 and amendments to the request for appropriations for the fiscal year 1983 totaling $341,000.

The President declared a major disaster for the State of Texas as a result of severe storms and flooding beginning on May 12, which caused extensive property damage.

May 26

The President transmitted to the Congress the annual report of the Corporation for Public Broadcasting for fiscal year 1981.

The White House announced that the President has invited Prime Minister Menachem Begin of Israel to visit Washington on June 21 to discuss issues of interest to both countries. Prime Minister Begin will be in the United States to address the United Nations Special Session Devoted to Disarmament in New York on June 18.

May 27

The White House announced that the President has approved several humanitarian assistance programs for Poland. Specifically, they authorize the following:

—that the Catholic Relief Service be granted $11.2 million under PL–480 title II funds for 1982;

—that CARE and the Catholic Relief Service programs be funded through the first quarter of 1983 at $12.5 million and through the rest of fiscal year 1983 at a total cost not to exceed $40 million; and

—that Project HOPE be allocated the entire $5 million that is earmarked for Poland by the fiscal year 1982 foreign assistance appropriations bill.

The President's determination manifests the administration's continuing concern and support for the well-being of the Polish people. It constitutes a reaffirmation of our current aid policy toward Poland and, despite the suspension of all official U.S. Government credits to Poland, humanitarian assistance to the Polish people is wholeheartedly endorsed and is to be continued.

May 30

The President and Mrs. Reagan left Rancho del Cielo, their ranch near Santa Barbara, Calif., and returned to the White House.

May 31

The President met at the White House with Ambassador Jeane J. Kirkpatrick, U.S. Representative to the United Nations.

The President telephoned Prime Minister Margaret Thatcher of the United Kingdom to discuss the dispute between the United Kingdom and Argentina in the Falkland Islands.

June 1

The President met at the White House throughout the day with members of the Cabinet and the White House staff in preparation for his trip to Europe.

In the afternoon, the President met at the White House with Republican Members of the Congress to discuss the budget.

June 5

The President declared a major disaster for the State of Illinois as a result of severe storms and tornadoes, beginning on May 29, which caused extensive property damage.

June 7

The President announced his intention to nominate the following-named persons to be Representatives and Alternate Representatives of the United States of America to the Twelfth Special Session of the United Nations General Assembly Devoted to Disarmament:

Representatives

Jeane J. Kirkpatrick, United States Permanent Representative to the United Nations
John W. Warner, United States Senator from the State of Virginia
Samuel S. Stratton, United States Representative from the State of New York
Edwin J. Feulner, Jr., President of the Heritage Foundation
Eugene Victor Rostow, Director of the Arms Control and Disarmament Agency

Alternate Representatives

Kenneth L. Adelman, Deputy United States Permanent Representative to the United Nations
Sam Nunn, United States Senator from the State of Georgia
Jack Kemp, United States Representative from the State of New York
Louis G. Fields, Jr., United States Representative to the Committee on Disarmament
Fred Charles Ikle, Under Secretary of Defense for Policy

June 12

The President left the White House for a weekend stay at Camp David, Md.

June 14

The President returned to the White House from Camp David, Md.

The President met at the White House with:

—the Vice President, prior to his departure for Saudi Arabia;

—the National Security Council.

June 15

The President met at the White House with:

—members of the White House staff;

—the bipartisan congressional leadership, to report on his trip to Europe;

—the Cabinet, to report on his trip to Europe.

Prior to leaving the White House for his trip to Houston, Tex., the President met with the graduating class of the Capitol Page School in the Rose Garden.

The President has declared a major disaster for the State of Connecticut as a result of severe storms and flooding, beginning on June 4, which caused extensive property damage.

The White House announced that the President has invited President Luis Alberto Monge of Costa Rica to make an official visit to Washington on June 21–23. During his stay in Washington, President Monge will meet with President Reagan and other administration officials.

June 16

The President returned to the White House from his trip to Houston.

The President met at the White House with:
- —Egyptian Deputy Prime Minister Kamal Hasan 'Ali, Secretary of State Alexander M. Haig, Jr., and other United States and Egyptian officials;
- —members of the National Association of Broadcasters.

June 17

The President transmitted to the Congress the 1981 annual report of the Saint Lawrence Seaway Development Corporation.

The President has asked the Congress to consider a request for the supplemental appropriations for the fiscal year 1982 in the amount of $20 million for international disaster assistance.

June 18

The President met at the White House with:
- —members of the White House staff;
- —the Cabinet Council on Human Resources, to discuss urban policy;
- —the National Security Council;
- —Senator Barry Goldwater of Arizona.

The President attended a White House reception for the Republican National Committee in the Residence. He then left the White House for a weekend stay at Camp David, Md.

The White House announced that the President has designated Alfred E. Eckes, Jr., as Chairman of the United States International Trade Commission for the term expiring June 16, 1984. He was appointed a member of the Commission on September 18, 1981.

The President nominated James Jay Jackson to be a member of the Federal Home Loan Bank Board for the term of 4 years expiring June 30, 1986. This is a reappointment.

The President declared a major disaster for the State of Oklahoma as a result of severe storms and flooding, beginning on May 11, which caused extensive property damage.

The President designated Douglas Dillon as Chairman of the National Museum Services Board.

The President requested the Congress to provide supplemental appropriations in the amount of $12.8 million in fiscal year 1982 and a budget amendment in the amount of $7.5 million in fiscal year 1983 for the Secret Service. These funds would be used to provide additional protection.

June 20

The President returned to the White House following a weekend stay at Camp David, Md.

June 21

The President met at the White House with:
- —members of the White House staff;
- —Governor Charles Thone of Nebraska, to discuss the economic problems in that State;
- —Members of Congress;
- —members of the Congressional Budget Group.

The President attended a reception for members of the Senatorial Trust, a group of contributors to the Republican Senatorial Campaign Committee, on the State Floor at the White House.

June 22

The President met at the White House with:
- —members of the White House staff;
- —Republican congressional leaders;
- —representatives of religious, educational, and civic organizations, to discuss Federal income tax credits for nonpublic school tuition;
- —Senators Richard G. Lugar of Indiana and Jake Garn of Utah, to discuss the housing provision of the fiscal year 1982 supplemental appropriations bill;
- —Republican congressional candidates and their spouses.

June 23

The President met at the White House with:
- —members of the White House staff;
- —the Vice President, for lunch.

The President attended two separate receptions for members of the Ground Floor Committee, a group of early supporters during the 1980 Presidential campaign, on the State Floor at the White House.

June 24

The President met at the White House with:
- —members of the White House staff;
- —leaders of southern State legislatures, to discuss the federalism initiative.

The President attended a reception for the California Republican congressional delegation on the State Floor at the White House.

The President has announced the appointment of William H. Morris, Jr., Assistant Secretary of Commerce for Trade Development, as the United States Commissioner General, Louisiana World Exposition of 1984, on an interim basis pending the appointment of a permanent U.S. Commissioner General.

June 25

The President met at the White House with:
- —members of the White House staff;
- —the National Security Council.

In an Oval Office ceremony, the President received diplomatic credentials from Ambassadors Juan Agurcia Ewing of Honduras, Edmund O. Z. Chipamaunga of Zimbabwe, Mircea Malita of Romania, Abourahmane Dia of Senegal, Lancelot

Raymond Adams-Schneider of New Zealand, and Aquilino E. Boyd of Panama.

The President left the White House for a weekend stay at Camp David, Md.

The President designated Robert Boone Hawkins, Jr., as Chairman of the Advisory Commission on Intergovernmental Relations.

June 26

The President met with Secretary of State-designate George P. Shultz and members of the White House staff at Camp David, Md.

June 27

The President returned to the White House following a weekend stay at Camp David, Md.

June 28

The President met at the White House with:
—members of the White House staff;
—the Cabinet Council on Legal Policy.

The White House announced that the President called Secretary of Labor Raymond J. Donovan to express his pleasure and to report the conclusions of the Special Prosecutor's report. While the White House Counsel's office has not had a chance to complete the review of the details, the President is extremely pleased with its details.

The President designated Cathie A. Shattuck as Vice Chairman of the Equal Employment Opportunity Commission. She has been a member since December 18, 1981.

The President designated S. Jesse Reuben as Acting General Counsel of the Federal Labor Relations Authority.

The President declared a major disaster for the State of Kansas as a result of severe storms and flooding, beginning on June 8, which caused extensive property damage.

June 29

The President met at the White House with:
—members of the White House staff;
—the National Security Council.

June 30

The President met at the White House with:
—members of the White House staff;
—President Ahmed Sékou Touré of Guinea.

July 1

The President met at the White House with:
—members of the White House staff;
—Secretary of State-designate George P. Shultz.

The President left the White House for an 11-day stay in southern California.

The President transmitted to the Congress the first annual synfuels report, prepared by the Department of Energy in cooperation with the Department of Defense.

The White House announced that the President has asked the Congress to consider a request for supplemental appropriations for fiscal year 1982 totaling $18,805,000 and amendments to the request for appropriations for fiscal year 1983 totaling $22,185,000.

July 2

The White House announced that the President has invited President Ahmadou Ahidjo of the United Republic of Cameroon to make an official working visit to Washington. President Ahidjo has accepted the invitation and will meet and have a working luncheon with President Reagan at the White House on July 26 to discuss matters of mutual interest.

The White House announced that the President sent a message to the new President of Argentina, Gen. Reynaldo Bignone, saying that he places high value on good relations with the new President and with the Argentine people.

Appendix B—Nominations Submitted to the Senate

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted January 25

Eugene F. Lynch,
of California, to be United States District Judge for the Northern District of California, vice Charles B. Renfrew, resigned.

Submitted January 26

Leroy J. Contie, Jr.,
of Ohio, to be United States Circuit Judge for the Sixth Circuit, vice Anthony J. Celebrezze, retired.

Elizabeth A. Kovachevich,
of Florida, to be United States District Judge for the Middle District of Florida, vice George C. Young, retired.

Julio Gonzales,
of California, to be United States Marshal for the Central District of California for the term of 4 years, vice Louis G. Villaescusa, retired.

Richard L. Cox,
of Florida, to be United States Marshal for the Middle District of Florida for the term of 4 years, vice George R. Grosse, resigned.

Carlos C. Cruz,
of Florida, to be United States Marshal for the Southern District of Florida for the term of 4 years, vice Donald D. Forsht, term expired.

M. Clifton Nettles III,
of Georgia, to be United States Marshal for the Southern District of Georgia for the term of 4 years, vice James C. Murphy, Jr., term expired.

Eugene G. Liss,
of New Jersey, to be United States Marshal for the District of New Jersey for the term of 4 years, vice Carl E. Hirshman, resigned.

Rudolph G. Miller,
of New Mexico, to be United States Marshal for the District of New Mexico for the term of 4 years, vice Bennie A. Martinez, resigned.

Submitted January 26—Continued

Gene G. Abdallah,
of South Dakota, to be United States Marshal for the District of South Dakota for the term of 4 years, vice Edward P. Gribbin, term expired.

Walter J. Stoessel, Jr.,
of the District of Columbia, a career member of the Senior Foreign Service with the personal rank of Career Ambassador, to be Deputy Secretary of State, vice William P. Clark, resigning.

Lawrence S. Eagleburger,
of Florida, a career member of the Senior Foreign Service, Class of Career Minister, to be Under Secretary of State for Political Affairs, vice Walter J. Stoessel, Jr., resigned.

Powell Allen Moore,
of Georgia, to be an Assistant Secretary of State, vice Richard Fairbanks, resigned.

Michael Hayden Armacost,
of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Philippines.

Keith Lapham Brown,
of Colorado, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Lesotho.

Anthony Cecil Eden Quainton,
of Washington, a career member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Nicaragua.

Howard Eugene Douglas,
of Virginia, to be United States Coordinator for Refugee Affairs and Ambassador at Large while serving in this position.

Maynard W. Glitman,
of Vermont, for the rank of Ambassador while serving as Department of State Representative and Deputy Head of the United States Delegation to the Intermediate Range Nuclear Force Negotiations.

Hugh W. Foster,
of California, to be Alternate Executive Director of the Inter-American Development Bank, vice Eugene Jay Finkel, resigned.

Submitted January 26—Continued
Frederic Arnold Eidsness, Jr.,
of Colorado, to be an Assistant Administrator of the Environmental Protection Agency, vice Eckardt C. Beck, resigned.

Cathie A. Shattuck,
of Colorado, to be a member of the Equal Employment Opportunity Commission for the term expiring July 1, 1985, vice Ethel Bent Walsh, term expired, to which office she was appointed during the last recess of the Senate.

Joan D. Aikens,
of Pennsylvania, to be a member of the Federal Election Commission for the remainder of the term expiring April 30, 1983, vice Vernon M. Thomson, to which office she was appointed during the last recess of the Senate.

Lee Ann Elliott,
of Illinois, to be a member of the Federal Election Commission for a term expiring April 30, 1987, vice Joan D. Aikens, term expired, to which office she was appointed during the last recess of the Senate.

Danny Lee McDonald,
of Oklahoma, to be a member of the Federal Election Commission for a term expiring April 30, 1987, vice Robert O. Tiernan, term expired, to which office he was appointed during the last recess of the Senate.

J. J. Simmons III,
of New Jersey, to be a member of the Interstate Commerce Commission for the remainder of the term expiring December 31, 1985, vice Thomas A. Trantum, resigned.

Herbert E. Ellingwood,
of California, to be a member of the Merit Systems Protection Board for the remainder of the term expiring March 1, 1986, vice Ruth T. Prokop, resigned, to which office he was appointed during the last recess of the Senate.

Herbert E. Ellingwood,
of California, to be Chairman of the Merit Systems Protection Board, vice Ruth T. Prokop, resigned, to which office he was appointed during the last recess of the Senate.

William J. Bennett,
of North Carolina, to be Chairman of the National Endowment for the Humanities for a term of 4 years, vice Joseph D. Duffey, term expired, to which office he was appointed during the last recess of the Senate.

Submitted January 26—Continued
John W. Crutcher,
of Virginia, to be a Commissioner of the Postal Rate Commission for the term expiring October 16, 1986, vice Clyde S. DuPont, resigned.

Withdrawn January 26

Robert N. Smith,
of Ohio, to be an Assistant Secretary of Defense, vice John Howard Moxley III, resigned, which was sent to the Senate on September 4, 1981.

Submitted January 28

Fred J. Eckert,
of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Fiji, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Kiribati, Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Tonga, and Ambassador Extraordinary and Plenipotentiary of the United States of America to Tuvalu.

Robert B. Krupansky,
of Ohio, to be United States Circuit Judge for the Sixth Circuit, vice Paul C. Weick, retired.

James L. George,
of Maryland, to be an Assistant Director of the United States Arms Control and Disarmament Agency, vice Charles N. Van Doren, resigned.

Norman Terrell,
of California, to be an Assistant Director of the United States Arms Control and Disarmament Agency, vice Thomas D. Davies, resigned.

Submitted February 2

John R. Gibson,
of Missouri, to be United States Circuit Judge for the Eighth Circuit, vice Floyd R. Gibson, retired.

William J. Nettles,
of Illinois, to be United States Marshal for the Southern District of Illinois for the term of 4 years, vice Albert S. Hinds, resigned.

James N. Broder,
of Maryland, to be a member of the Federal Council on the Aging for a term expiring June 5, 1983, vice Fernando Manuel Torres-Gil, term expired.

Jay Vern Beck,
of Utah, to be a member of the National Science Board, National Science Foundation, for a term

Submitted February 2—Continued
expiring May 10, 1986, vice Jewel P. Cobb, term expired.

James G. Stearns,
of Nevada, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 1982, vice Hugh F. Owens, resigned.

Submitted February 3

James W. Winchester,
of Mississippi, to be Associate Administrator of the National Oceanic and Atmospheric Administration, vice George S. Benton, resigned.

Samuel Kenric Lessey, Jr.,
of New Hampshire, to be Inspector General of the United States Synthetic Fuels Corporation for a term of 7 years (new position).

Robert W. Gambino,
of Virginia, to be Deputy Inspector General of the United States Synthetic Fuels Corporation for a term of 7 years (new position).

Submitted February 4

Basil S. Baker,
of Texas, to be United States Marshal for the Southern District of Texas for the term of 4 years, vice Theddis R. Coney, term expired.

Clarence M. Pendleton, Jr.,
of California, to be a member of the Commission on Civil Rights, vice Arthur S. Flemming.

Mary Louise Smith,
of Iowa, to be a member of the Commission on Civil Rights, vice Stephen Horn.

George S. Roukis,
of New York, to be a member of the National Mediation Board for the term expiring July 1, 1984, vice George S. Ives, term expired.

Henry R. Folsom,
of Delaware, to be a Commissioner of the Postal Rate Commission for the remainder of the term expiring October 14, 1982, vice A. Lee Fritschler, resigned.

Frederic V. Malek,
of Virginia, to be a Governor of the United States Postal Service for the term expiring December 8, 1989, vice Wallace Nathaniel Hyde.

John R. Van de Water,
of California, to be a member of the National Labor Relations Board for the term of 5 years expiring August 27, 1986, to which office he was appointed during the recess of the Senate from August 3, 1981, until September 9, 1981.

Submitted February 8

Tony E. Gallegos,
of California, to be a member of the Equal Employment Opportunity Commission for the remainder of the term expiring July 1, 1984, vice Daniel Edward Leach, resigned.

F. Keith Adkinson,
of West Virginia, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1975, vice Robert Pitofsky, resigned.

Submitted February 10

J. Alan Johnson,
of Pennsylvania, to be United States Attorney for the Western District of Pennsylvania for the term of 4 years, vice Robert J. Cindrich, resigned.

Submitted February 11

Harold M. Fong,
of Hawaii, to be United States District Judge for the District of Hawaii, vice Walter Meheula Heen.

William L. Lutz,
of New Mexico, to be United States Attorney for the District of New Mexico for the term of 4 years, vice Rufus E. Thompson, resigned.

David D. Queen,
of Maryland, to be United States Attorney for the Middle District of Pennsylvania for the term of 4 years, vice Carlon M. O'Malley, Jr.

Robert Thaddeus Grey, Jr.,
of Virginia, to be Deputy Director of the United States Arms Control and Disarmament Agency, vice Spurgeon M. Keeny, Jr., resigned.

James W. Fuller,
of California, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 1983, vice Michael A. Taylor, resigned.

Veronica A. Haggart,
of Virginia, to be a member of the United States International Trade Commission for the remainder of the term expiring June 16, 1984, vice Catherine May Bedell.

Submitted February 18

James P. Hickman,
of West Virginia, to be United States Marshal for the Southern District of West Virginia for the term of 4 years, vice Charles M. Adkins, Jr., term expired.

Submitted February 19

John L. Coffey,
of Wisconsin, to be United States Circuit Judge for the Seventh Circuit, vice Thomas E. Fairchild, retired.

William W. Caldwell,
of Pennsylvania, to be United States District Judge for the Middle District of Pennsylvania, vice R. Dixon Herman, retired.

Glenn E. Mencer,
of Pennsylvania, to be United States District Judge for the Western District of Pennsylvania, vice Daniel J. Snyder, deceased.

Earl L. Rife,
of Ohio, to be United States Marshal for the Northern District of Ohio for the term of 4 years, vice Donald J. Kindt, term expired.

Rita M. Lavelle,
of California, to be an Assistant Adminstrator of the Environmental Protection Agency, vice Marvin B. Durning, resigned.

Submitted February 23

Peter H. Dailey,
of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ireland.

Peter Otto Murphy,
of the District of Columbia, for the rank of Ambassador during his tenure of service as United States Negotiator on Textile Matters.

Carol Los Mansmann,
of Pennsylvania, to be United States District Judge for the Western District of Pennsylvania vice William W. Knox, deceased.

Salvatore R. Martoche,
of New York, to be United States Attorney for the Western District of New York for the term of 4 years vice Richard J. Arcara, resigned.

James B. Wyngaarden,
of North Carolina, to be Director of the National Institutes of Health, vice Donald Sharp Fredrickson.

Submitted March 1

William L. Earl,
of Florida, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1984, vice David E. Satterfield, III.

The following-named persons to be members of the Board of Directors of the Legal Services Corporation for the terms indicated, to which positions they were appointed during the last recess of the Senate:

For a term expiring July 13, 1983:
- Harold R. DeMoss, Jr., of Texas, vice Steven L. Engelberg, term expired.
- Clarence V. McKee, of the District of Columbia, vice Hillary Diane Rodham, term expired.
- Marc Sandstrom, of California, vice Richard Allan Trudell, term expired.

For a term ending July 13, 1984:
- Howard H. Dana, Jr., of Maine, vice Robert J. Kutak, term expired.
- William F. Harvey, of Indiana, vice Howard R. Sacks, term expired.
- William J. Olson, of Virginia, vice F. William McCalpin, term expired.
- George E. Paras, of California, vice Michael Kantor, term expired.
- Robert Sherwood Stubbs, II, of Georgia, vice Ramona Toledo Shump, term expired.

Submitted March 2

Thomas A. Bolan,
of New York, to be a member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1982, vice Richard R. Swann, term expired.

Submitted March 4

Herman W. Nickel,
of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of South Africa.

Submitted March 8

Kenneth E. Moffett,
of Maryland, to be Federal Mediation and Conciliation Director, vice Wayne L. Horvitz, resigned, to which position he was appointed during the last recess of the Senate.

James C. Sanders,
of California, to be Administrator of the Small Business Administration, vice Michael Cardenas, resigned.

Submitted March 11

James L. Malone,
of Virginia, to be Ambassador at Large in connection with his appointment as Special Representative of the President of the United States for the Law of the Sea Conference, and Chief of Delegation.

Robert E. Coyle,
of California, to be United States District Judge for the Eastern District of California, vice Myron D. Crocker, retired.

William T. Hart,
of Illinois, to be United States District Judge for the Northern District of Illinois, vice John Powers Crowley, resigned.

John A. Nordberg,
of Illinois, to be United States District Judge for the Northern District of Illinois, vice Bernard M. Decker, retired.

Walter E. Black, Jr.,
of Maryland, to be United States District Judge for the District of Maryland, vice Edward S. Northrop, retired.

Michael A. Telesca,
of New York, to be United States District Judge for the Western District of New York, vice Harold P. Burke, retired.

W. Asa Hutchinson,
of Arkansas, to be United States Attorney for the Western District of Arkansas for the term of 4 years, vice Larry R. McCord, term expired.

Robert W. Merkle, Jr.,
of Florida, to be United States Attorney for the Middle District of Florida for the term of 4 years, vice Gary Louis Betz.

Richard H. Still, Jr.,
of Georgia, to be United States Attorney for the Northern District of Georgia for the term of 4 years, vice William L. Harper, resigned.

Frederick J. Hess,
of Illinois, to be United States Attorney for the Southern District of Illinois for the term of 4 years, vice James R. Burgess, Jr., term expired.

Charles H. Gray,
of Arkansas, to be United States Marshal for the Eastern District of Arkansas for the term of 4 years (reappointment).

Submitted March 15

Charles H. Turner,
of Oregon, to be United States Attorney for the District of Oregon for the term of 4 years, vice Sidney I. Lezak, resigned.

J. J. Simmons III,
of Oklahoma, to be a member of the Interstate Commerce Commission for the remainder of the term expiring December 31, 1985, vice Thomas A. Trantum, resigned.

Withdrawn March 15

J. J. Simmons III,
of New Jersey, to be a member of the Interstate Commerce Commission for the remainder of the term expiring December 31, 1985, vice Thomas A. Trantum, resigned, which was sent to the Senate on January 26, 1982.

Submitted March 17

Clarence Thomas,
of Maryland, to be a member of the Equal Employment Opportunity Commission for a term expiring July 1, 1986, vice Eleanor Holmes Norton.

Tony Guglielmo,
of Connecticut, to be a member of the Federal Council on the Aging for a term expiring June 5, 1983, vice Wesley C. Uhlman.

Preston Martin,
of California, to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1982, vice Frederick H. Schultz, term expired.

Preston Martin,
of California, to be Vice Chairman of the Board of Governors of the Federal Reserve System for a term of 4 years, vice Frederick H. Schultz, term expiring.

The following-named persons to be members of the Board of Directors of the National Institute of Building Sciences:

Charles A. Doolittle, Jr., of Kansas, for a term of 3 years (new position).
Van Norden Logan, of California, for a term of 3 years (new position).

The following-named persons to be members of the Board of Directors of the National Railroad Passenger Corporation:

Charles Luna, of Texas, for a term of 4 years (new position).
Robert D. Orr, of Indiana, for a term of 4 years (new position).

Submitted March 17—Continued

Ross E. Rowland, Jr., of New Jersey, for a term of 4 years (new position).

Submitted March 22

Manfred Eimer,
of Maryland, to be an Assistant Director of the United States Arms Control and Disarmament Agency, vice George William Ashworth, resigned.

Heather J. Gradison,
of Ohio, to be a member of the Interstate Commerce Commission for the term of 7 years from January 1, 1982, vice Robert Coleman Gresham, term expired.

Submitted March 25

James L. Fyke,
of Illinois, to be United States Marshal for the Central District of Illinois for the term of 4 years, vice Harry H. Marshall, term expired.

Lawrence Y. Goldberg,
of Rhode Island, to be General Counsel of the Federal Labor Relations Authority for a term of 5 years, vice H. Stephan Gordon, resigned.

Joseph Robert Wright, Jr.,
of New York, to be Deputy Director of the Office of Management and Budget, vice Edwin L. Harper.

Submitted March 29

Richard L. Wagner, Jr.,
of California, to be Chairman of the Military Liaison Committee to the Department of Energy, vice James Paul Wade, Jr., resigned.

Francis M. Mullen, Jr.,
of Virginia, to be Administrator of Drug Enforcement, vice Peter B. Bensinger, resigned.

Gary Loy Richardson,
of Oklahoma, to be United States Attorney for the Eastern District of Oklahoma for the term of 4 years, vice Julian K. Fite, resigned.

Ronald L. Trowbridge,
of Michigan, to be an Associate Director of the International Communication Agency, vice Alice Stone Ilchman.

Withdrawn March 29

F. Keith Adkinson,
of West Virginia, to be a Federal Trade Commissioner for the unexpired term of 7 years from September 26, 1975, vice Robert Pitofsky, resigned, which was sent to the Senate on February 8, 1982.

Submitted March 31

John T. Callery,
of Tennessee, to be United States Marshal for the Western District of Tennessee for the term of 4 years, vice Willie D. Durham, Sr., term expired.

General John W. Vessey, Jr.,
Army of the United States, to be Chairman, Joint Chiefs of Staff.

Submitted April 5

James Eugene Goodby,
of New Hampshire, a career member of the Senior Foreign Service, Class of Minister-Counselor, for the rank of Ambassador during the tenure of his service as Vice Chairman, United States Delegation to the Strategic Arms Reductions Talks (START) and Department of State Representative.

The following-named persons to be members of the National Advisory Council on Women's Educational Programs for the terms indicated:

For the remainder of the term expiring May 8, 1983:

Lilli K. Dollinger, of Texas, vice Rhine Lana McLin.

For a term expiring May 8, 1983:

Mary Jo Arndt, of Illinois, vice Kathleen Elaine Humphrey, term expired.

Marge Bodwell, of New Mexico, vice Paul Parks, term expired.

Marcilyn D. Leier, of Minnesota, vice Bernice Sandler, term expired.

Virginia Gillham Tinsley, of Arizona, vice Eliza Macaulay Carney, term expired.

For a term expiring May 8, 1984:

Judith D. Moss, of Ohio, vice Susan Margaret Vance, term expired.

Marie Sheehan Muhler, of New Jersey, vice Carolyn L. Attneave, term expired.

Susan E. Phillips, of Virginia, vice Ellen Sherry Hoffman, term expired.

Eleanor Knee Rooks, of Tennessee, vice J. Richard Rossie, term expired.

Maria Pornaby Shuhi, of Florida, vice Sister M. Isolina Ferre, term expired.

Helen J. Valerio, of Massachusetts, vice Anna Doyle Levesque, term expired.

For a term expiring May 8, 1985:

Betty Ann Gault Cordoba, of California, vice K. Jessie Kobayashi, term expiring.

Gilda Bojorquez Gjurich, of California, vice Jewel Limar Prestage, term expiring.

Irene Renee Robinson, of the District of Columbia, vice Maria Concepcion Bechily, term expiring.

Submitted April 5—Continued

- Judy F. Rolfe, of Montana, vice Virginia Foxx, term expiring.
- Eunice S. Thomas, of Georgia, vice Barbara M. Carey, term expiring.

Submitted April 7

Stanley I. Marcus,
of Michigan, to be United States Attorney for the Southern District of Florida, for the term of 4 years, vice Jacob V. Eskenazi, deceased.

Submitted April 12

William S. Price,
of Oklahoma, to be United States Attorney for the Western District of Oklahoma for the term of 4 years, vice David L. Russell, resigned.

William A. Kolibash,
of West Virginia, to be United States Attorney for the Northern District of West Virginia for the term of 4 years, vice James F. Companion, resigned.

Submitted April 14

Gregory J. Newell,
of Virginia, to be an Assistant Secretary of State, vice Elliott Abrams, resigned.

Louis G. Fields, Jr.,
of Virginia, for the rank of Ambassador while serving as the United States Representative to the Committee on Disarmament.

Submitted April 19

Selwa Roosevelt,
of the District of Columbia, for the rank of Ambassador during the tenure of her service as Chief of Protocol for the White House.

Annie Laurie Slaughter,
of Missouri, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1983, vice Cecilia Denogean Esquer, term expired, to which position she was appointed during the last recess of the Senate.

Submitted April 26

George C. Pratt,
of New York, to be United States Circuit Judge for the Second Circuit, vice William H. Timbers, retired.

Maurice M. Paul,
of Florida, to be United States District Judge for the Northern District of Florida, vice Winston E. Arnow, retired.

Submitted April 26—Continued

Marvin E. Breazeale,
of Mississippi, to be United States Marshal for the Southern District of Mississippi for the term of 4 years, vice Thomas A. Rhoden, retired.

D. Bruce Merrifield,
of Connecticut, to be an Assistant Secretary of Commerce, vice Jordan J. Baruch, resigned.

Arthur J. Dellinger, Sr.,
of California, to be Deputy Inspector General of the Department of Energy, vice Thomas S. Williamson, Jr., resigned.

James Kilburn Asselstine,
of Virginia, to be a member of the Nuclear Regulatory Commission for the remainder of the term expiring June 30, 1982, vice Peter Amory Bradford, resigned.

James Kilburn Asselstine,
of Virginia, to be a member of the Nuclear Regulatory Commission for the term of 5 years expiring June 30, 1987 (reappointment).

The following-named persons to be members of the National Council on the Humanities for terms expiring January 26, 1988:

- A. Lawrence Chickering, of California, vice Richard Wall Lyman, term expired.
- Jeffrey Hart, of New Hampshire, vice Jay Gordon Hall, term expired.
- Gertrude Himmelfarb, of New York, vice Marian B. Javits, term expired.
- James Clayburn La Force, Jr., of California, vice Dave Warren, term expired.
- Rita Ricardo-Campbell, of California, vice Nancy Davies, term expired.
- Peter J. Stanlis, of Illinois, vice John Walton Wolfe, term expired.

Submitted April 29

The following-named persons to be members of the Board of the Panama Canal Commission:

- Andrew E. Gibson, of New Jersey, vice John W. Clark.
- William W. Watkin, Jr., of New Jersey, vice Clifford Bradley O'Hara.

Submitted May 3

Robert Anderson,
of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

Submitted May 3—Continued

Gilbert G. Pompa,
of Texas, to be Director, Community Relations Service, for a term of 4 years (reappointment).

Edward N. Brandt, Jr.,
of Texas, to be Representative of the United States on the Executive Board of the World Health Organization, vice Dr. S. Paul Ehrlich, Jr.

Submitted May 5

A. J. McNamara,
of Louisiana, to be United States District Judge for the Eastern District of Louisiana, vice Edward J. Boyle, Sr., retired.

John W. Potter,
of Ohio, to be United States District Judge for the Northern District of Ohio, vice William K. Thomas, retired.

John A. Terry,
of the District of Columbia, to be an Associate Judge of the District of Columbia Court of Appeals for the term of 15 years, vice Stanley S. Harris.

Submitted May 6

John N. McMahon,
of Maryland, to be Deputy Director of Central Intelligence, vice Admiral B. R. Inman, resigned.

Robert John Hughes,
of Massachusetts, to be an Associate Director of the International Communication Agency, vice James B. Conkling, resigned.

The following-named persons to be members of the Federal Council on the Aging for terms expiring June 5, 1985:

Adelaide Attard, of New York (reappointment).
Charlotte W. Conable, of New York (reappointment).

Walter Berns,
of Maryland, to be a member of the National Council on the Humanities for a term expiring January 26, 1988, vice Joe Bob Rushing, term expired.

The following-named persons to be Directors of the Securities Investor Protection Corporation for the terms indicated:

For a term expiring December 31, 1982:
Ralph D. DeNunzio, of Connecticut (reappointment).

For terms expiring December 31, 1984:
David F. Goldberg, of Illinois, vice Brenton H. Rupple, term expired.

Submitted May 6—Continued

Roger A. Yurchuck, of Ohio, vice Adolph Philip Schuman, term expired.

Submitted May 11

Peter E. Voss,
of Ohio, to be a Governor of the United States Postal Service for the term expiring December 8, 1990, vice Hung Wai Ching, term expired.

Submitted May 18

John P. Moore,
of Colorado, to be United States District Judge for the District of Colorado, vice Fred M. Winner, retired.

Francis K. Peo,
of New York, to be United States Marshal for the Northern District of New York for the term of 4 years, vice Eugene Madden, Jr.

James B. Burnham,
of Pennsylvania, to be United States Executive Director of the International Bank for Reconstruction and Development for a term of 2 years, vice Colbert I. King, resigned.

Eleanor Thomas Elliott,
of New York, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1985, vice Jon W. Fuller, term expired.

Donald D. Engen,
of Virginia, to be a member of the National Transportation Safety Board for a term expiring December 31, 1986, vice James B. King, term expired.

Guy W. Fiske,
of Virginia, to be Deputy Secretary of Commerce, vice Joseph Robert Wright, Jr.

Withdrawn May 18

Marc Sandstrom,
of California, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1983, vice Richard Allan Trudell, term expired, to which position he was appointed during the last recess of the Senate, which was sent to the Senate on March 1, 1982.

Submitted May 19

Elizabeth Flores Burkhart,
of Texas, to be a member of the National Credit Union Administration for the remainder of the term expiring April 10, 1985, vice Lawrence Connell, Jr., resigned.

Submitted May 19—Continued

The following-named persons to be members of the Board of Directors of the United States Synthetic Fuels Corporation for the terms indicated:

For a term of 1 year:

Milton M. Masson, Jr., of Arizona, vice John D. DeButts, resigned.

For a term of 2 years:

John B. Carter, Jr., of Texas, vice Catherine Blanchard Cleary, resigned.

Submitted May 20

Steffen W. Graae,
of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for a term of 15 years, vice Dyer Justice Taylor, retired.

George W. Mitchell,
of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for a term of 15 years, vice William E. Stewart, Jr., retired.

Submitted May 24

George Quincey Lumsden, Jr.,
of Maryland, a Foreign Service officer of Class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Arab Emirates.

Thomas Penfield Jackson,
of the District of Columbia, to be United States District Judge for the District of Columbia, vice Oliver Gasch, retired.

Stephen A. Sharp,
of Virginia, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1982, vice Abbott Washburn, term expiring.

The following-named persons to be members of the National Council on the Humanities for terms expiring January 26, 1988:

George Carey, of Virginia, vice A. D. Frazier, Jr., term expired.

Ellis Sandoz, of Louisiana, vice Concha Ortiz y Pino de Kleven, term expired.

Submitted May 26

The following-named persons to be members of the General Advisory Committee of the United States Arms Control and Disarmament Agency:

William Robert Graham, of California, vice McGeorge Bundy, resigned.

Colin Spencer Grey, of New York, vice Bert Thomas Combs, resigned.

Submitted May 26—Continued

Roland F. Herbst, of California, vice Lawrence Owen Cooper, Sr., resigned.

Francis P. Hoeber, of Virginia, vice Paul Mead Doty, resigned.

Charles Burton Marshall, of Virginia, vice Harry Arthur Huge, resigned.

Jaime Oaxaca, of California, vice Joseph Lane Kirkland, resigned.

Shirley N. Pettis, of California, vice Arthur B. Krim, resigned.

John P. Roche, of Massachusetts, vice Wolfgang Kurt Hermann Panofsky, resigned.

Donald Rumsfeld, of Illinois, vice Harold Melvin Agnew, resigned.

Harriett Fast Scott, of Virginia, vice Jane Cahill Pfeiffer, resigned.

Laurence Hirsch Silberman, of California, vice Brent Scowcroft, resigned.

Elmo Russell Zumwalt, Jr., of Virginia, vice George M. Seignious II, resigned.

The following-named persons to be members of the Commission on Civil Rights:

Robert A. Destro, of Wisconsin, vice Murray Saltzman.

Constantine Nicholas Dombalis, of Virginia, vice Mary Frances Berry.

Guadalupe Quintanilla, of Texas, vice Blandina Cárdenas Ramirez.

Allie C. Felder, Jr.,
of the District of Columbia, to be a member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 1984 (reappointment).

Submitted May 27

Arthur H. Davis, Jr.
of Colorado, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Paraguay.

Dortch Oldham,
of Tennessee, to be Commissioner General of the United States Government for Energy-Expo 82, vice Charles E. Fraser, resigned.

Submitted June 1

Henry A. Mentz, Jr.,
of Louisiana, to be United States District Judge for the Eastern District of Louisiana, vice Lansing L. Mitchell, retired.

Jaime Pieras, Jr.,
of Puerto Rico, to be United States District Judge for the District of Puerto Rico, vice a new position created by P.L. 95–486, approved October 20, 1978.

Submitted June 1—Continued

Frank J. Donatelli,
of Virginia, to be a member of the Board of Directors of the National Corporation for Housing Partnerships for a term expiring October 27, 1984, vice Herman J. Russell, term expired.

William C. Whitworth,
of South Carolina, to be United States Marshal for the District of South Carolina for the term of 4 years, vice Andrew J. Chishom, resigned.

Withdrawn June 1

Richard H. Still, Jr.,
of Georgia, to be United States Attorney for the Northern District of Georgia for the term of 4 years, vice William L. Harper, resigned, which was sent to the Senate on March 11, 1982.

Submitted June 3

Robert H. Phinny,
of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Swaziland.

The following-named persons to be members of the National Council on Educational Research for the terms indicated:

For the remainder of the term expiring September 30, 1982:
- Donald Barr, of Connecticut, vice Helen S. Astin.

For the remainder of the term expiring September 30, 1983:
- Carl W. Salser, of Oregon, vice Maria B. Cerda.

For terms expiring September 30, 1983:
- J. Floyd Hall, of South Carolina, vice Alonzo A. Crim, term expired.
- Donna Helene Hearne, of Missouri, vice Catharine C. Stimpson, term expired.
- George Charles Roche III, of Michigan, vice Harold Howe II, term expired.

For a term expiring September 30, 1984:
- M. Blouke Carus, of Illinois, vice Barbara S. Uehling, term expired.
- Howard L. Hurwitz, of New York, vice Bernard C. Watson, term expired.
- Onalee McGraw, of Virginia, vice Jon L. Harkness, term expired.
- Penny Pullen, of Illinois, term expired. Thomas A. Arciniega, term expired.
- Elaine Y. Schadler, of Pennsylvania, vice Harold L. Enarson, term expired.

For terms expiring September 30, 1985:
- Donald Barr, of Connecticut (reappointment).

Submitted June 9

The following-named persons to be Representatives of the United States of America to the Twelfth Special Session of the United Nations General Assembly Devoted to Disarmament:

- Jeane J. Kirkpatrick, of Maryland
- John William Warner, United States Senator from the State of Virginia
- Samuel S. Stratton, United States Representative from the State of New York
- Edwin J. Feulner, Jr., of Virginia
- Eugene Victor Rostow, of Connecticut

The following-named persons to be Alternative Representatives of the United States of America to the Twelfth Special Session of the United Nations General Assembly Devoted to Disarmament:

- Kenneth L. Adelman, of Virginia
- Sam Nunn, United States Senator from the State of Georgia
- Jack Kemp, United States Representative from the State of New York
- Louis G. Fields, Jr., of Virginia
- Fred Charles Ikle, of Maryland

Withdrawn June 14

George S. Roukis,
of New York, to be a member of the National Mediation Board for the term expiring July 1, 1984, vice George S. Ives, term expired, which was sent to the Senate on February 4, 1982.

Withdrawn June 17

Susan E. Phillips,
of Virginia, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1984, vice Ellen Sherry Hoffman, term expired, which was sent to the Senate on April 5, 1982.

Submitted June 18

Richard H. Ellis,
of Virginia, for the rank of Ambassador during the tenure of his service as the United States Commissioner on the U.S.-U.S.S.R. Standing Consultative Commission.

George W. Landau,
of Maryland, a career member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Venezuela.

Gary L. Jones,
of Virginia, to be Under Secretary of Education, vice William C. Clohan, Jr., resigned.

Submitted June 18—Continued

James Jay Jackson,
of Texas, to be a member of the Federal Home Loan Bank Board for the term of 4 years expiring June 30, 1986 (reappointment).

Kay McMurray,
of Idaho, to be Federal Mediation and Conciliation Director, vice Kenneth E. Moffett.

Withdrawn June 22

Lawrence Y. Goldberg,
of Rhode Island, to be General Counsel of the Federal Labor Relations Authority for a term of 5 years, vice H. Stephan Gordon, resigned, which was sent to the Senate on March 25, 1982.

Submitted June 23

Robert G. Dederick,
of Illinois, to be Under Secretary of Commerce for Economic Affairs (new position).

Edward Sulzberger,
of New York, to be a member of the Board of Directors of the National Corporation for Housing Partnerships for the term expiring October 27, 1983, vice Patricia K. Ritter, term expired.

Bevis Longstreth,
of New York, to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1984, vice Philip A. Loomis, Jr., retired.

Withdrawn June 23

Kenneth E. Moffett,
of Maryland, to be Federal Mediation and Conciliation Director, vice Wayne L. Horvitz, resigned, which was sent to the Senate on December 14, 1981.

Kenneth E. Moffett,
of Maryland, to be Federal Mediation and Conciliation Director, vice Wayne L. Horvitz, resigned, to which position he was appointed during the last recess of the Senate, which was sent to the Senate on March 8, 1982.

Submitted June 28

Robert Werner Duemling,
of California, a career member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Suriname.

Rutherford M. Poats,
of Virginia, for the rank of Minister during the tenure of his service as Chairman of the Development Assistance Committee of the Organization for Economic Cooperation and Development at Paris, France.

Richard A. Gadbois, Jr.,
of California, to be United States District Judge for the Central District of California, vice Irving Hill, retired.

Eli S. Jacobs,
of California, to be a member of the General Advisory Committee of the United States Arms Control and Disarmament Agency, vice Thomas John Watson, Jr., resigned.

Submitted July 1

George P. Shultz,
of California, to be Secretary of State.

Patrick E. Higginbotham,
of Texas, to be United States Circuit Judge for the Fifth Circuit, vice Reynaldo G. Garza, retired.

E. Grady Jolly,
of Mississippi, to be United States Circuit Judge for the Fifth Circuit, vice James P. Coleman, retired.

James O. Golden,
of Virginia, to be United States Marshal for the District of Columbia for the term of 4 years, vice J. Jerome Bullock, term expired.

Eugene V. Marzullo,
of Pennsylvania, to be United States Marshal for the Western District of Pennsylvania for the term of 4 years, vice Howard J. Turner, Jr., term expired.

Appendix C—Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary which are not included elsewhere in this book.

Released January 4

Summary report:
Internal review by the Office of the Counsel to the President of allegations concerning certain activities of Assistant to the President for National Security Affairs Richard V. Allen

Transcript:
Question-and-answer session between reporters and Deputy Secretary of State William P. Clark,[1] appointed by the President as Assistant to the President for National Security Affairs, replacing Richard V. Allen

Released January 7

Transcript:
Press briefing on the President's decision to continue the draft registration program—by Counsellor to the President Edwin Meese III, Secretary of Defense Caspar W. Weinberger, and Maj. Gen. Thomas K. Turnage, Director of Selective Service

Released January 11

Announcement:
Nomination of Gene G. Abdallah to be United States Marshal for the District of South Dakota and M. Clifton Nettles III to be United States Marshal for the Southern District of Georgia

Transcript:
Press briefing on the President's meeting with the executive committee of the National Conference of State Legislatures—by Kansas State Senator Ross Doyen

Released January 12

Statement:
The President's approval of three Presidential directives concerning national security matters—by Deputy Secretary of State and Assistant to the President for National Security Affairs William P. Clark [1]

Released January 13

Announcement:
Nomination of Elizabeth A. Kovachevich to be United States District Judge for the Middle District of Florida

Announcement:
Nomination of Richard L. Cox to be United States Marshal for the Middle District of Florida

Announcement:
Nomination of Rudolph G. Miller to be United States Marshal for the District of New Mexico

Released January 14

Advance text:
Remarks at the New York City Partnership luncheon in New York

Released January 15

Announcement:
Nomination of Leroy J. Contie, Jr., to be United States Circuit Judge for the Sixth Circuit

Announcement:
Nomination of Eugene F. Lynch to be United States District Judge for the Northern District of California

Transcript:
Press briefing on their meeting with the President—by Senate Majority Leader Howard H. Baker, Jr., and Senators Robert Dole of Kansas and Pete V. Domenici of New Mexico

Released January 18

Announcement:
Nomination of Eugene G. Liss to be United States Marshal for the District of New Jersey

Fact sheet:
Proposed legislation to deny tax-exempt status to private, nonprofit educational organizations with racially discriminatory policies

Released January 20

Advance text:
Remarks to the Reagan Administration Executive Forum

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[1] *Mr. Clark officially resigned as Deputy Secretary of State on February 9, following Senate confirmation of Walter J. Stoessel, Jr., for that position on February 8.*

Released January 20—Continued

Announcement:
Nomination of Carlos C. Cruz to be United States Marshal for the Southern District of Florida

Announcement:
Personnel appointments to the National Security Council staff by William P. Clark, Deputy Secretary of State and Assistant to the President for National Security Affairs—Thomas C. Reed as defense consultant, Clare Booth Luce as intelligence consultant, William F. Buckley, Jr., as policy planning consultant, Jeremiah O'Leary as special assistant to Mr. Clark, and Richard C. Morris as special assistant in the office of the Assistant to the President for National Security Affairs

Released January 21

Transcript:
Press briefing on the report of the Commission on Fiscal Accountability of the Nation's Energy Resources—by David F. Linowes, Chairman of the Commission, and Secretary of the Interior James G. Watt

Transcript:
Press briefing on their meeting with the President to discuss urban affairs—by Mayors Margaret Hance of Phoenix, Ariz., and William D. Schaefer of Baltimore, Md., and Robert Shetterly, chairman of the Clorox Co.

Released January 22

Transcript:
Press briefing on his year with the Reagan administration—by Assistant to the President for Political Affairs Franklyn C. (Lyn) Nofziger

Announcement:
Nomination of Robert B. Krupansky to be United States Circuit Judge for the Sixth Circuit

Released January 26

Transcript:
Press briefing on the President's meeting with Republican congressional leaders—by Senate Majority Leader Howard H. Baker, Jr., and House Minority Leader Robert H. Michel

Advance text:
The State of the Union address

Fact sheet:
The State of the Union address

Fact sheet:
Federalism initiative

Released January 27

Announcement:
Appointment of Robert J. Myers as Executive Director of the National Commission on Social Security Reform

Fact sheet:
Federalism initiative

Transcript:
Press briefing on the State of the Union address and the federalism initiative—by Counsellor to the President Edwin Meese III, Secretary of the Treasury Donald T. Regan, David A. Stockman, Director of the Office of Management and Budget, and Deputy Secretary of State and Assistant to the President for National Security Affairs William P. Clark [1]

Released January 28

Statement:
Rescue of Brig. Gen. James Dozier, Deputy Chief of Staff, Logistics and Administration, Allied Land Forces Southern Europe, from his Red Brigade kidnapers—by Deputy Secretary of State and Assistant to the President for National Security Affairs William P. Clark [1]

Transcript:
Press briefing on the federalism initiative—by Mayors Margaret Hance of Phoenix, Ariz., James Inhofe of Tulsa, Okla., and Richard Carver of Peoria, Ill.

Transcript:
Press briefing on the federalism initiative—by Assistant to the President for Communications David R. Gergen, Assistant to the President for Intergovernmental Affairs Richard S. Williamson, and Donald W. Moran, Associate Director for Human Resources, Veterans and Labor, Office of Management and Budget

Released January 29

Announcement:
Nomination of John R. Gibson to be United States Circuit Judge for the Eighth Circuit

Fact sheet:
U.S. participation in the Third United Nations Conference on the Law of the Sea

Released February 1

Transcript:
Press briefing on the President's meeting with Members of Congress, Governors, and State legislators to discuss the federalism initiative—by

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[1] *See footnote on page 875.*

Released February 1—Continued
Governors Richard A. Snelling of Vermont and George Busbee of Georgia

Fact sheet:
Supplemental appropriations request for unemployment insurance and the employment service

Announcement:
Nomination of William J. Nettles to be United States Marshal for the Southern District of Illinois

Released February 3

Announcement:
Nomination of Basil S. Baker to be United States Marshal for the Southern District of Texas

Released February 4

Fact sheets:
Background information on paperwork and regulatory relief for small business (three attachments)

Agreement:
Greater Support to Economic Progress in Egypt

Released February 5

Transcript:
Press briefing on the Presidential task force on agricultural assistance for Peru—by M. Peter McPherson, Administrator of the U.S. Agency for International Development, Clayton Yeutter, Chairman of the task force, and Fernando Schwalb, Peruvian Ambassador to the United States

Released February 9

Advance text:
Address to the Iowa State Legislature in Des Moines

Advance text:
Address to the Indiana State Legislature in Indianapolis

Released February 10

Announcement:
Nomination of J. Alan Johnson to be United States Attorney for the Western District of Pennsylvania

Transcript:
Press briefing on the Economic Report of the President—by Murray L. Weidenbaum, Chairman of the Council of Economic Advisers

Released February 11

Transcript:
Press briefing on their meeting with the President to discuss the federalism initiative—by Bill Murphy, vice president, Roy Orr, former president, and Bernie Hillenbrand, executive director, National Association of Counties

Announcement:
Nomination of Harold M. Fong to be United States District Judge for the District of Hawaii

Announcement:
Nomination of William L. Lutz to be United States Attorney for the District of New Mexico and David D. Queen to be United States Attorney for the Middle District of Pennsylvania

White House statements:
Refutation of certain quotations attributed to Assistant to the President for Political Affairs Edward J. Rollins, Jr., as reported in a Des Moines Register article (two releases)

Released February 12

Announcement:
Nomination of James P. Hickman to be United States Marshal for the Southern District of West Virginia

Released February 18

Statement:
Establishment of the Presidential Private Sector Survey on Cost Control in the Federal Government (as read at the news conference in the East Room)

Statement:
The Nation's economy (as read at the news conference in the East Room)

Fact sheet:
Presidential Private Sector Survey on Cost Control in the Federal Government

Announcement:
Nomination of John L. Coffey to be United States Circuit Judge for the Seventh Circuit

Announcement:
Nomination of William W. Caldwell to be United States District Judge for the Middle District of Pennsylvania and Glenn E. Mencer to be United States District Judge for the Western District of Pennsylvania

Announcement:
Nomination of Earl L. Rife to be United States Marshal for the Northern District of Ohio

Released February 21

Fact sheet:
Christ Church, Alexandria, Va.

Released February 22

Advance text:
Remarks at Mount Vernon, Va., on the 250th anniversary of the birth of George Washington

Announcement:
Nomination of Carol Los Mansmann to be United States District Judge for the Western District of Pennsylvania

Transcript:
Press briefing on the President's meeting with members of the National Association of Counties—by Richard Condor, president, and Bill Murphy, first vice president, National Association of Counties

Transcript:
Press briefing on the President's meeting with Governors attending the Washington, D.C., meeting of the National Governors' Association—by Governor Richard A. Snelling of Vermont, chairman of the National Governors' Association, and Governor Scott M. Matheson of Utah

Released February 23

Announcement:
Nomination of Salvatore R. Martoche to be United States Attorney for the Western District of New York

Transcript:
Press briefing on the federalism initiative—by Assistant to the President for Intergovernmental Affairs Richard S. Williamson

Released February 24

Transcript:
Press briefing on the Caribbean Basin Initiative—by Ambassador William E. Brock, U.S. Trade Representative, Assistant Secretary of State for Inter-American Affairs Thomas O. Enders, and M. Peter McPherson, Director of the Agency for International Development

Advance text:
Address on the Caribbean Basin Initiative delivered before the Permanent Council of the Organization of American States

Fact sheet:
Caribbean Basin Initiative

Released February 26

Advance text:
Remarks at the Conservative Political Action Conference dinner

Released March 1

Announcement:
Reorganization of the Office of Policy Development, Executive Office of the President

Released March 2

Advance text:
Remarks at a rally for Senator Malcolm Wallop in Cheyenne, Wyo.

Advance text:
Remarks at a rally for Senator Harrison Schmitt in Albuquerque, N. Mex.

Released March 3

Advance text:
Remarks at the Los Angeles, Calif., County Board of Supervisors town meeting

Transcript:
Press briefing on his appointment as Chairman of the Private Sector Survey on Cost Control in the Federal Government—by J. Peter Grace

Statement:
Presidential mission on agricultural assistance for Egypt—by Deputy Press Secretary Larry M. Speakes

Released March 9

Fact sheet:
Rescission of Executive Order 12074, Urban Impact Statements, and OMB Circular A–116, Agency Preparation of Urban and Community Impact Analyses

Transcript:
Remarks and a question-and-answer session with reporters following their meeting with the President—by Secretary of State Alexander M. Haig, Jr., and Foreign Minister Hans-Dietrich Genscher of the Federal Republic of Germany

Released March 10

Announcement:
The President's luncheon meeting with the Chairman and Executive Committee of the Private Sector Survey on Cost Control in the Federal Government

Released March 11

Transcript:
Remarks to reporters following their meeting with the President—by Secretary of State Alexander M. Haig, Jr., and President Mohamed Siad Barre of Somalia

Announcement:
Nomination of Walter E. Black, Jr., to be United States District Judge for the District of Maryland, Robert E. Coyle to be United States District Judge for the Eastern District of California, William T. Hart to be United States District Judge for the Northern District of Illinois, John A. Nordberg to be United States District Judge for the Northern District of Illinois, and Michael A. Telesca to be United States District Judge for the Western District of New York

Announcement:
Nomination of Frederick J. Hess to be United States Attorney for the Southern District of Illinois, W. Asa Hutchinson to be United States Attorney for the Western District of Arkansas, Robert W. Merkle, Jr., to be United States Attorney for the Middle District of Florida, and Richard H. Still, Jr., to be United States Attorney for the Northern District of Georgia

Announcement:
Nomination of Charles H. Gray to be United States Marshal for the Eastern District of Arkansas

Released March 12

Announcement:
Nomination of Charles H. Turner to be United States Attorney for the District of Oregon

Released March 15

Advance text:
Address to the Alabama State Legislature in Montgomery

Advance text:
Address to the Tennessee State Legislature in Nashville

Released March 16

Advance text:
Address to the Oklahoma State Legislature in Oklahoma City

Released March 17

Fact sheet:
Overseas reaction to the Caribbean Basin Initiative

Released March 17—Continued

Fact sheet:
Caribbean Basin Initiative—measures by Canada, Mexico, Venezuela, and Colombia

Transcript:
Briefing for reporters on the Caribbean Basin Initiative—by Ambassador Thomas O. Enders, Assistant Secretary of State for Inter-American Affairs, Ambassador William E. Brock, U.S. Trade Representative, M. Peter McPherson, Director of the Agency for International Development, and Raymond J. Waldmann, Assistant Secretary of Commerce for International Economic Policy

Released March 18

Advance text:
Remarks to the National Association of Manufacturers

Transcript:
Statement and a question-and-answer session with reporters following his meeting with the President to report on his recent trip to the Middle East—by Ambassador Philip C. Habib, the President's emissary in consultations in the Middle East

Fact sheet:
Federal procurement reform

Released March 22

Fact sheet:
Energy developments during the Reagan administration

Fact sheet:
International energy developments

Transcript:
Press briefing on energy developments and oil supplies—by Danny Boggs, Executive Director of the Cabinet Council on Natural Resources, Henry Nau, Director for International Economic Affairs, National Security Council, and Hunter Chiles, Director of Policy, Department of Energy

Advance text:
Remarks on U.S. agricultural policy to representatives of agricultural publications and organizations

Released March 23

Fact sheets:
Administration's enterprise zone proposal (two releases)

Text:
Draft enterprise zone legislation

Released March 23—Continued

Transcript:
Press briefing on the enterprise zone legislative proposal—by Secretary of Housing and Urban Development Samuel R. Pierce, Jr., and Norman B. Ture, Under Secretary for Tax and Economic Affairs, Department of the Treasury

Advance text:
Remarks at the annual awards dinner of the National Conference of Christians and Jews in New York, N.Y.

Released March 24

Transcript:
Press briefing on recommendations of the President's Task Force on Private Sector Initiatives—by C. William Verity, Jr., Chairman of the Task Force

Released March 25

Announcement:
Nomination of James L. Fyke to be United States Marshal for the Central District of Illinois

Announcement:
Report to the President by James L. Buckley, Under Secretary of State for Security Assistance, Science and Technology, on the interagency mission to Europe to discuss the limitation of financial credits to the Soviet Union

Released March 26

Announcement:
Nomination of Gary Loy Richardson to be United States Attorney for the Eastern District of Oklahoma

Released March 29

Advance text:
Remarks to the legislative conference of the National Association of Realtors

Fact sheets:
Reagan administration housing policy (three releases)

Announcement:
Nomination of John T. Callery to be United States Marshal for the Western District of Tennessee

Released March 31

Transcript:
Press briefing on their meeting with the President to discuss the U.S.-Soviet arms control talks in Geneva, Switzerland—by Ambassador Paul H. Nitze, head of the U.S. Delegation to the Intermediate-Range Nuclear Force Negotiations, and Eugene V. Rostow, Director of the U.S. Arms Control and Disarmament Agency

Transcript:
Press briefing on their meeting with the President to discuss their mission to El Salvador to observe the March 28 elections—by Senator Nancy L. Kassebaum of Kansas, Representatives Bob Livingston of Louisiana and John P. Murtha of Pennsylvania, Deputy Assistant Secretary of State Everett E. Briggs, and electoral analyst Richard Scammon

Released April 1

Statements:
The President's visit to Bethesda Naval Medical Center for a urological examination—by Deputy Press Secretary Larry M. Speakes (two releases)

Released April 2

Statement:
Signing of Proclamation 4918, Older Americans Month (as read at the signing ceremony in the Rose Garden)

Fact sheet:
President's proposal to prohibit mandatory retirement solely on the basis of age

Fact sheet:
Executive Order 12356, National Security Information

Released April 3

Fact sheet:
Ronald Reagan Radio Commentary, 1975–1979

Released April 5

Advance text:
Remarks at the National Legislative Conference of the Building and Construction Trades Department, AFL–CIO

Released April 6

Announcement:
Nomination of Stanley I. Marcus to be United States Attorney for the Southern District of Florida

Released April 7

Transcript:
Press briefing on private sector investment in Jamaica and the Caribbean Basin Initiative—by Craig A. Nalen, President of the Overseas Private

Released April 7—Continued
Investment Corporation, and private sector investors

Released April 8

Announcement:
Nomination of William S. Price to be United States Attorney for the Western District of Oklahoma

Announcement:
Nomination of William A. Kolibash to be United States Attorney for the Northern District of West Virginia

Transcript:
Press briefing on activities of the Overseas Private Investment Corporation in the Eastern Caribbean and the Caribbean Basin Initiative—by Craig A. Nalen, President of the Overseas Private Investment Corporation

Released April 15

Transcript:
Press briefing on tuition tax credits—by Assistant to the President for Communications David R. Gergen, Special Assistant to the President for Policy Development Robert B. Carleson, and Deputy Under Secretary of Education Gary L. Jones

Fact sheet:
Tuition tax credits

Advance text:
Address to the National Catholic Education Association in Chicago, Ill.

Released April 16

Photocopy:
1981 income tax return of the President and Mrs. Reagan

Released April 20

Transcript:
Press briefing on their meeting with the President to discuss the budget—by Senate Majority Leader Howard H. Baker, Jr., and House Minority Leader Robert H. Michel

Released April 21

Statement:
Recent actions in the Middle East which threaten or violate the cease-fire and the U.S. response to such actions—issued by the Department of State

Released April 21—Continued
Announcement:
U.S. International Trade Commission investigation into trade-related performance requirements

Released April 23

Announcement:
Nomination of George C. Pratt to be United States Circuit Judge for the Second Circuit

Announcement:
Nomination of Maurice M. Paul to be United States District Judge for the Northern District of Florida

Announcement:
Nomination of Marvin E. Breazeale to be United States Marshal for the Southern District of Mississippi

Fact sheet:
President's Task Force on Victims of Crime

Transcript:
Question-and-answer session with reporters—by former White House Press Secretaries Roger Tubby, George E. Christian, Ronald L. Ziegler, J. F. terHorst, Ron Nessen, and Jody Powell, and Deputy Press Secretary to the President Larry M. Speakes

Released April 26

Advance text:
Address to the Chamber of Commerce of the United States

Released April 28

Transcript:
Press briefing on the President's meeting with congressional leaders on Capitol Hill to discuss the budget—by Assistant to the President James A. Baker III

Released April 29

Advance text:
Address to the Nation on the fiscal year 1983 Federal budget

Released April 30

Transcript:
Press briefing following their meeting with the President to discuss the budget—by Senators Pete V. Domenici of New Mexico and Robert Dole of Kansas, and Representatives Robert H. Michel of Illinois, Barber B. Conable, Jr., of New York, and Delbert L. Latta of Ohio

Released May 1

Advance text:
Radio address to the Nation on the program for economic recovery

Advance text:
Remarks at the opening ceremonies for the Knoxville International Energy Exposition (World's Fair) in Knoxville, Tenn.

Released May 3

Transcript:
Press briefing on the President's meeting with Republican congressional leaders—by Senate Majority Leader Howard H. Baker, Jr., and House Minority Leader Robert H. Michel

Transcript:
Press briefing on the President's meeting with Republican members of the Senate Budget Committee—by Senators Robert Dole of Kansas and Pete V. Domenici of New Mexico

Released May 4

Transcript:
Press briefing on the President's meeting with Republican members of the House Budget Committee—by House Minority Leader Michel and Representatives Delbert L. Latta of Ohio and Trent Lott of Mississippi

Released May 5

Announcement:
Nomination of A. J. McNamara to be United States District Judge for the Eastern District of Louisiana

Announcement:
Nomination of John W. Potter to be United States District Judge for the Northern District of Ohio

Released May 6

Fact sheet:
Highlights of Senate budget package

Released May 9

Advance text:
Address delivered at commencement exercises at Eureka College in Illinois

Released May 10

Advance text:
Remarks at the annual foundation luncheon of the YMCA of Metropolitan Chicago in Chicago, Ill.

Released May 12

Announcement:
Visit of King Hassan II of Morocco to the
States

Released May 13

Announcement:
Appointment of Gen. Richard T. Boverie,
J. Sigur, and Lewis A. Tambs as staff mem
the National Security Council

Released May 18

Announcement:
Nomination of John P. Moore to be United
District Judge for the District of Colorado

Announcement:
Nomination of Francis K. Peo to be United
Marshal for the Northern District of Ne

Released May 21

Statement:
Decisions made at a meeting of the P
Review Board—by Edwin L. Harper, Ass
the President for Policy Development and
man of the Property Review Board

Transcript:
Press briefing on the disposal of certain U
ernment properties—by Secretary of the
James G. Watt and Edwin L. Harper, Ass
the President for Policy Development and
man of the Property Review Board

Released May 24

Announcement:
Nomination of Thomas Penfield Jackson
United States District Judge for the Dis
Columbia

Released May 28

Advance text:
Remarks at the 22d Mexico-U.S. Interpar
tary Conference in Santa Barbara, Calif.

Released May 31

Advance text:
Remarks at Memorial Day services at A
National Cemetery

Released June 1

Announcement:
Nomination of Henry A. Mentz, Jr., to be
States District Judge for the Eastern Di
Louisiana and Jaime Pieras, Jr., to be

Released June 1—Continued

States District Judge for the District of Puerto Rico

Announcement:
Nomination of William C. Whitworth to be United States Marshal for the District of South Carolina

Released June 2

Transcript:
Question-and-answer session with reporters on the President's trip to Europe—by Secretary of State Alexander M. Haig, Jr., and Secretary of the Treasury Donald T. Regan (aboard Air Force One en route to Europe)

Released June 3

Transcript:
Interview of Assistant to the President Michael K. Deaver in Paris, France—by Chris Wallace, NBC News, on "Today"

Transcript:
Press briefing on the President's meeting in Paris with President François Mitterrand of France—by Secretary of State Alexander M. Haig, Jr.

Released June 4

Transcript:
Interview of Secretary of the Treasury Donald T. Regan in Paris, France—by Chris Wallace, NBC News, on "Today"

Transcript:
Interview of Deputy Press Secretary Larry M. Speakes—by David Hartman and Steve Bell, ABC News, on "Good Morning America"

Transcript:
Press briefing on the President's meetings with Prime Minister Zenko Suzuki of Japan and Prime Minister Margaret Thatcher of the United Kingdom—by Secretary of State Alexander M. Haig, Jr.

Released June 5

Transcripts:
Press briefing on the Versailles Economic Summit Conference—by Secretary of the Treasury Donald T. Regan (two releases)

Transcript:
Press briefing on the Versailles Economic Summit Conference—by Secretary of State Alexander M. Haig, Jr.

Released June 6

Transcripts:
Press briefing on the Versailles Economic Summit Conference—by Secretary of the Treasury Donald T. Regan (two releases)

Transcript:
Press briefing on the Versailles Economic Summit Conference—by Secretary of State Alexander M. Haig, Jr.

Transcript:
Interview of Secretary of the Treasury Donald T. Regan—by David Brinkley, Sam Donaldson, and Pierre Salinger, ABC News, on "This Week With David Brinkley"

Transcript:
Interview of Assistant to the President James A. Baker III on NBC News' "Meet the Press"

Released June 7

Transcript:
Question-and-answer session with reporters on the situation in Lebanon—by Secretary of State Alexander M. Haig, Jr. (aboard Air Force One en route to Italy)

Released June 8

Advance text:
Address to members of the British Parliament in London

Transcript:
Press briefing on the President's address to members of the British Parliament in London—by Secretary of State Alexander M. Haig, Jr.

Released June 9

Transcript:
Question-and-answer session with reporters on the situation in Lebanon—by Secretary of State Alexander M. Haig, Jr. (aboard Air Force One en route to the Federal Republic of Germany)

Advance text:
Address before the Bundestag in Bonn, Federal Republic of Germany

Transcript:
Response to the President's address before the Bundestag in Bonn, Federal Republic of Germany—by Bundestag President Richard Stuecklen

Transcript:
Press briefing on the President's address before the Bundestag in Bonn, Federal Republic of Ger-

Released June 9—Continued
many—by Secretary of State Alexander M. Haig, Jr.

Released June 10

Transcript:
Interview of Counsellor to the President Edwin A. Meese III—by Chris Wallace, NBC News, on "Today"

Transcript:
Interview of Assistant to the President James A. Baker III—by Robert Pierpoint, "CBS Morning News"

Transcript:
Press briefing on the meeting of the North Atlantic Council—by William Tapley Bennett, Jr., Permanent Representative to the U.S. Mission, North Atlantic Treaty Organization

Transcript:
Interview of Richard R. Burt, Assistant Secretary for European Affairs, Department of State—by David Hartman and Steve Bell, ABC News, on "Good Morning America"

Transcript:
Press briefing on the meeting of the North Atlantic Council—by Secretary of State Alexander M. Haig, Jr.

Released June 11

Transcript:
Press briefing on the meeting of the North Atlantic Council—by Secretary of State Alexander M. Haig, Jr.

Advance text:
Remarks to the people of Berlin

Transcript:
Question-and-answer session with reporters on the situation in Lebanon—by Secretary of State Alexander M. Haig, Jr. (aboard Air Force One en route to Bonn, Federal Republic of Germany)

Transcript:
Question-and-answer session with reporters on the President's trip to Europe—by Secretary of State Alexander M. Haig, Jr. (aboard Air Force One en route to the United States)

Released June 14

Transcript:
Press briefing on the third report of the President's Council on Integrity and Efficiency—by Joseph R. Wright, Jr., Deputy Director of the Office of Management and Budget and Chairman of the Council

Released June 15

Advance text:
Remarks at a dinner honoring Governor William P. Clements, Jr., in Houston, Tex.

Released June 16

Transcript:
Remarks to reporters following their meeting with the President—by Egyptian Deputy Prime Minister Kamal Hasan 'Ali and Secretary of State Alexander M. Haig, Jr.

Released June 17

Advance text:
Address before the United Nations General Assembly's Special Session Devoted to Disarmament in New York, N.Y.

Announcement:
Designation of Thomas C. Reed as a Special Assistant to the President on the staff of Assistant to the President for National Security Affairs William P. Clark

Released June 21

Announcement:
Appointment of J. Bonnie Newman as an Associate Director of Presidential Personnel

Released June 23

Transcript:
Press briefing on the President's meeting with Prime Minister Margaret Thatcher of the United Kingdom—by Secretary of State Alexander M. Haig, Jr.

Released June 24

Fact sheet:
Federal drug abuse policy

Transcript:
Press briefing on Federal drug abuse policy—by Carlton E. Turner, Director of the Drug Abuse Policy Office

Announcement:
Nomination of Richard A. Gadbois, Jr., to be United States District Judge for the Central District of California

Released June 29

Announcement:
Nomination of James O. Golden to be United States Marshal for the District of Columbia

Released June 30

Announcement:
Nomination of Patrick E. Higginbotham and E. Grady Jolly to be United States Circuit Judges for the Fifth Circuit

Announcement:
Nomination of Eugene V. Marzullo to be United States Marshal for the Western District of Pennsylvania

Released July 2

Announcement:
Working visit to Washington of President Ahmadou Ahidjo of the United Republic of Cameroon

Appendix D—Acts Approved by the President

Approved January 30

H.J. Res. 382 / Public Law 97–146
A joint resolution to permit the broadcasting in the United States of the International Communication Agency film "Let Poland Be Poland: A Day of Solidarity With the People of Poland".

Approved February 15

H.J. Res. 389 / Public Law 97–147
A joint resolution making an urgent supplemental appropriation for the fiscal year ending September 30, 1982, for the Department of Agriculture.

Approved February 22

H.J. Res. 391 / Public Law 97–148
A joint resolution making an urgent supplemental appropriation for the Department of Labor for the fiscal year ending September 30, 1982.

Approved February 26

S.J. Res. 134 / Public Law 97–149
A joint resolution to designate 1982 as the "National Year of Disabled Persons".

Approved March 1

S.J. Res. 122 / Public Law 97–150
A joint resolution to authorize and request the President to designate the week of February 28, 1982, through March 6, 1982, as "National Construction Industry Week".

Approved March 2

H.R. 3782 / Private Law 97–13
An act to revitalize the pleasure cruise industry by clarifying and waiving certain restrictions in the Merchant Marine Act, 1936, and the Merchant Marine Act, 1920, to permit the entry of the steamship vessel Oceanic Constitution into the trade.

Approved March 10

S.J. Res. 142 / Public Law 97–151
A joint resolution to authorize and request the President to issue a proclamation designating March 21, 1982, as Afghanistan Day, a day to commemorate the struggle of the people of Afghanistan against the occupation of their country by Soviet forces.

Approved March 16

H.R. 5021 / Public Law 97–152
An act to extend the date for the submission to the Congress of the report of the Commission on Wartime Relocation and Internment of Civilians.

S.J. Res. 91 / Public Law 97–153
A joint resolution to designate July 1982 as "National Peach Month".

S.J. Res. 105 / Public Law 97–154
A joint resolution to designate October 1982 as "National P.T.A. Membership Month".

Approved March 17

H.R. 4625 / Public Law 97–155
An act to authorize the Secretary of the Army to return to the Federal Republic of Germany certain works of art seized by the United States Army at the end of World War II.

Approved March 18

S.J. Res. 148 / Public Law 97–156
A joint resolution to proclaim March 18, 1982, as "National Agriculture Day".

Approved March 22

H.J. Res. 373 / Public Law 97–157
A joint resolution expressing the sense of Congress that the Government of the Soviet Union should respect the rights of its citizens to practice their religion and to emigrate, and that these matters should be among the issues raised at the thirty-eighth meeting of the United Nations Commission on Human Rights at Geneva in February 1982.

H.J. Res. 348 / Public Law 97–158
A joint resolution to provide for the awarding of a special gold medal to Her Majesty Queen Beatrix in recognition of the 1982 bicentennial anniversary of diplomatic and trade relations between the Netherlands and the United States.

Approved March 24

S. 2166 / Public Law 97–159
An act to provide for the distribution within the United States of the International Communication Agency slide show entitled "Montana: The People Speak".

Approved March 26

S. 2254 / Public Law 97–160
An act to temporarily extend the authority to conduct experiments in flexible schedules and compressed schedules under the Federal Employees Flexible and Compressed Work Schedules Act of 1978.

Approved March 30

S. 262 / Private Law 97–14
An act for the relief of Dolly Akers, Fort Peck Indian Reservation, Montana.

Approved March 31

H.J. Res. 409 / Public Law 97–161
A joint resolution making further continuing appropriations for the fiscal year 1982.

Approved April 1

S. 892 / Public Law 97–162
An act to amend the Federal Grant and Cooperative Agreement Act.

S. 1937 / Public Law 97–163
An act to extend the expiration date of section 252 of the Energy Policy and Conservation Act.

Approved April 2

H.R. 4482 / Public Law 97–164
Federal Courts Improvement Act of 1982.

Approved April 3

H.J. Res. 272 / Public Law 97–165
A joint resolution to authorize and request the President to issue a proclamation designating April 4 through 10, 1982, "National Medic Alert Week".

H.J. Res. 447 / Public Law 97–166
A joint resolution to authorize and request the President to issue a proclamation designating April 4, 1982, as the "National Day of Reflection".

Approved April 6

H.J. Res. 435 / Public Law 97–167
A joint resolution providing for the designation of April 12, 1982, as "American Salute to Cabanatuan Prisoner of War Memorial Day".

Approved April 6—Continued

S. 634 / Public Law 97–168
An act to authorize the exchange of certain land in Idaho and Wyoming.

S.J. Res. 102 / Public Law 97–169
A joint resolution to authorize and request the President to designate the month of April 1982 as "Parliamentary Emphasis Month".

Approved April 12

H.J. Res. 410 / Public Law 97–170
A joint resolution to designate April 19, 1982, [illegible] "Dutch-American Friendship Day".

Approved April 13

S. 2333 / Public Law 97–171
An act to amend section 209 of title 18, United States Code, to permit an officer or employee [illegible] the United States Government, injured during [illegible] assassination attempt, to receive contributions from charitable organizations.

Approved April 16

S.J. Res. 67 / Public Law 97–172
A joint resolution to establish National Nurse-Midwifery Week.

Approved April 28

H.J. Res. 448 / Public Law 97–173
A joint resolution to authorize and request the President to issue a proclamation designating April 25 through May 2, 1982, as "Jewish Heritage Week".

Approved May 4

S. 266 / Public Law 97–174
Veterans' Administration and Department of Defense Health Resources Sharing and Emergency Operations Act.

S. 1093 / Private Law 97–15
An act for the relief of Sandra Reyes Pell[illegible]

Approved May 11

S. 2373 / Public Law 97–175
An act to change the name of the landing strip [illegible] White Sands Missile Range in the State of New Mexico, to "White Sands Space Harbor".

Approved May 17

S. 2244 / Public Law 97–176
Northern Pacific Halibut Act of 1982.

H.R. 1624 / Private Law 97–16
An act for the relief of Theresa Macam Al[illegible]

Approved May 17—Continued

H.R. 1681 / Private Law 97–17
An act for the relief of Andre Bartholo Eubanks.

H.R. 1796 / Private Law 97–18
An act for the relief of Jacobo Cosio-Franco.

H.R. 1977 / Private Law 97–19
An act for the relief of Maria Gloria (Joy) C. Villa.

H.R. 3478 / Private Law 97–20
An act for the relief of Mrs. Haruko Kubota Smith.

Approved May 21

S. 1131 / Public Law 97–177
Prompt Payment Act.

H.J. Res. 412 / Public Law 97–178
A joint resolution to authorize and request the President to designate May 20, 1982, as "Amelia Earhart Day".

Approved May 24

H.R. 2863 / Public Law 97–179
An act to authorize the Secretary of Agriculture to sell the portion of the Tahoe National Forest known as Blyth Arena.

S. 691 / Public Law 97–180
Piracy and Counterfeiting Amendments Act of 1982.

H.J. Res. 361 / Public Law 97–181
A joint resolution to grant official recognition to the international ballet competition.

S.J. Res. 170 / Public Law 97–182
A joint resolution to designate the week of November 7, 1982, through November 14, 1982, as "National Hospice Week".

S.J. Res. 145 / Public Law 97–183
A joint resolution authorizing and requesting the President to proclaim "National Orchestra Week".

S. 146 / Public Law 97–184
An act to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes.

H.R. 6038 / Public Law 97–185
An act to amend section 235 of the National Housing Act.

Approved May 25

S. 1611 / Public Law 97–186
An act to amend Public Law 90–553, to authorize the transfer, conveyance, lease and improvement of, and construction on, certain property in the District of Columbia, for use as a headquarters site for an international organization, as sites for governments of foreign countries, and for other purposes.

Approved June 1

S.J. Res. 53 / Public Law 97–187
A joint resolution to provide for the designation of September 5, 1982, as "Working Mothers' Day".

S.J. Res. 59 / Public Law 97–188
A joint resolution designating the square dance as the national folk dance of the United States.

S.J. Res. 160 / Public Law 97–189
A joint resolution to provide for the designation of July 9, 1982, and April 9, 1983, as "National P.O.W./M.I.A. Recognition Day".

S. 2575 / Public Law 97–190
An act to extend the expiration date of section 252 of the Energy Policy and Conservation Act.

S. 2535 / Public Law 97–191
An act to regulate the operation of foreign fish processing vessels within State waters.

H.R. 4769 / Public Law 97–192
An act to recognize the organization known as the American Council of Learned Societies.

H.R. 1231 / Private Law 97–21
An act for the relief of the Washington Post, the Washington Star, the Dispatch (Lexington, North Carolina), the Brooklyn Times, Equity Advertising Agency, Incorporated, the Seattle Post-Intelligencer, and the News Tribune.

H.R. 1543 / Private Law 97–22
An act to confirm a conveyance of certain real property by the Central Pacific Railway Company and Southern Pacific Company to A. C. Taber and his wife, Mary Taber.

H.R. 1608 / Private Law 97–23
An act for the relief of Mrs. Frieda Simonson.

Approved June 15

S.J. Res. 149 / Public Law 97–193
A joint resolution to designate the week of June 6, 1982, through June 12, 1982, as "National Child Abuse Prevention Week".

Approved June 16

S.J. Res. 131 / Public Law 97–194
A joint resolution designating "National Theatre Week".

S. 1808 / Public Law 97–195
An act to authorize an Under Secretary of Commerce for Economic Affairs.

Approved June 18

S.J. Res. 201 / Public Law 97–196
A joint resolution designating "Baltic Freedom Day".

Approved June 21

S. 896 / Public Law 97–197
An act to designate the control tower at Memphis International Airport the Omlie Tower.

S.J. Res. 140 / Public Law 97–198
A joint resolution designating February 11, 1983, "National Inventors' Day".

Approved June 22

H.R. 6132 / Public Law 97–199
An act to amend section 5590 of the Revised Statutes to provide for adjusting the rate of interest paid on funds of the Smithsonian Institution deposited with the Treasury of the United States as a permanent loan.

Approved June 23

H.R. 4 / Public Law 97–200
Intelligence Identities Protection Act of 1982.

H.R. 5432 / Public Law 97–201
An act to authorize the presentation on behalf of the Congress of a specially struck gold medal to Admiral Hyman George Rickover.

Approved June 24

H.R. 5566 / Public Law 97–202
An act authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes.

H.R. 5659 / Public Law 97–203
An act to authorize the Smithsonian Institution to construct a building for the National Museum of African Art and a center for Eastern art together with structures for related educational activities in the area south of the original Smithsonian Institution Building adjacent to Independence Avenue at Tenth Street Southwest, in the city of Washington.

Approved June 28

H.J. Res. 519 / Public Law 97–204
A joint resolution to provide for a temporary increase in the public debt limit.

Approved June 29

H.R. 3112 / Public Law 97–205
Voting Rights Act Amendments of 1982.

Approved June 30

H.R. 3863 / Public Law 97–206
An act to amend the Poultry Products Inspection Act to increase the number of turkeys which may be slaughtered and processed without inspection under such Act, and for other purposes.

H.R. 4569 / Public Law 97–207
An act to designate the United States Post Office Building in Hartford, Connecticut, as the "William R. Cotter Federal Building".

H.R. 6631 / Public Law 97–208
An act to authorize humanitarian assistance for the people of Lebanon.

H.J. Res. 230 / Public Law 97–209
A joint resolution imploring the Union of Soviet Socialist Republics to allow Doctor Semyon Gluzman and his family to emigrate to Israel.

H.J. Res. 518 / Public Law 97–210
A joint resolution to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week".

S. 1519 / Public Law 97–211
An act to designate certain national wildlife refuge lands.

H.R. 3816 / Public Law 97–212
An act to improve the operation of the Fishermen's Contingency Fund established to compensate commercial fishermen for damages resulting from oil and gas exploration, development, and production in areas of the Outer Continental Shelf.

H.R. 4903 / Public Law 97–213
An act granting the consent of the Congress to an interstate compact between the States of Mississippi and Louisiana establishing a commission to study the feasibility of rapid rail transit service between the two States.

H.R. 1482 / Private Law 97–24
An act for the relief of Christina Boltz Sidders.

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